

THE LEAGUE OF NATIONS

POLITICAL ACTIVITIES

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NOTE

This pamphlet is the last of a short series issued by the Information Section of the Secretariat of the League of Nations on various aspects of League work. Other pamphlets deal with the constitution and organisation of the League, the Permanent Court of International Justice, the financial reconstruction of Austria, financial and economic work, the financial administration of the League and allocation of expenses, disarmament, health, mandates, minorities, transit, the administration of Danzig and the Saar, intellectual co-operation, and humanitarian activities.

These pamphlets, which are issued for information purposes, should not be regarded as taking in any way the place of official documents.

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POLITICAL ACTIVITIES

INTRODUCTION

This pamphlet contains an account of the chief political questions with which the League of Nations has dealt since its foundation (1).

They are of varying importance, but all, except the Italo-Greek dispute, are in one way or another traceable to consequences of the war. The Aaland Islands question, the Memel question, the dispute between Poland and Lithuania concerning Vilna, all arose out of the territorial and political changes which took place in Northern Europe after the war. Similar changes in Eastern Europe, due to the same cause raised or revived the Albanian question and the question of raids by armed bands into the territory of Bulgaria's neighbours.

The Upper Silesian question, the question of the Hungarian optants, and the various frontier questions were primarily due to differences of opinion as to the application of the peace treaties.

Some of these, notably the frontier questions, were laid before the League of Nations under definite provisions in the peace treaties; some were submitted to the League through the Governments of certain of the States Members;

(1) Minorities and mandates questions are excluded from this account of political activities, as they are dealt with in other pamphlets in this series. References to political and minorities questions are also to be found in the pamphlet on the Permanent Court of International Justice.

and some through the Supreme Council or the Conference of Ambassadors.

In most cases, they were brought before the League under Article II of the Covenant, which declares it to be "the friendly right of each Member of League to bring to the attention of the Assembly or of the Council any circumstance whatever which threatens to disturb international peace or the good understanding between nations upon which peace depends".

THE AALAND ISLANDS SETTLEMENT

THE SITUATION UP TO JUNE 19TH, 1920

The Aaland Islands settlement was an incident in the general re-adjustment that took place around the Baltic as a result of the war.

These Islands, about 300 in number, form the westernmost group of the archipelago around the south-western and southern coasts of Finland, and constitute a district of the Finnish province of Abo-Björneborg. There are about 25 miles of open sea between the most westerly of these islands and the Swedish coast. The 26,000 inhabitants are Swedish by language and descent, as are the inhabitants of most of the rest of the archipelago and of the adjoining coastal districts. Although they are geologically part of the Finnish archipelago, the Islands are nearer Stockholm than Helsingfors, and their inhabitants have important trade relations with both Sweden and Finland. Their position gives the Aaland Islands great strategic importance. The total Swedish population of Finland numbers about 400,000. The total population is about 3,200,000. But the Aaland Islanders have a certain local sentiment and tend to look upon themselves as a separate group.

Before the war, Finland was an autonomous Grand-Duchy whose sovereign was the Tsar : Esthonia, Latvia and Lithuania were Russian provinces. As a result of the war and the Russian Revolution these countries all became independant States. At the time Finland declared her independence the inhabitants of the Aaland Islands manifested a desire to unite with Sweden, with which the whole of Finland, including the archipelago, had been united until 1809; Swedish public opinion and the Swedish Govern-

ment showed the liveliest sympathy for this movement. At the same time the military status of the Aaland Islands, which had been demilitarised by the Treaty of Paris of 1856, was left in doubt as a result of the Finnish declaration of independence and the disappearance of a recognised Russian Government.

The fortifications built during the war were razed in 1919, under the supervision of a mixed Swedish-Finnish Commission. Meanwhile a movement for union with Sweden had begun in the Aaland Islands as early as August 1917 and became increasingly active as time went on. The Aaland Islanders held informal plebiscites and sent petitions and deputations early in 1918 to the Senate of Finland, the King of Sweden and the Emperor of Germany, and subsequently in November 1918 (two days before the Armistice) appealed to the President of the United States, the President of the French Republic and the Government of Great Britain. In these appeals they declared their desire to be united to Sweden on historic, economic and national grounds, and in virtue of "the right of self-determination".

This situation led to a declaration by the Finnish Government in March 1918 of its intention to grant a measure of autonomy to the Islands. Further steps in the same direction were taken in the summer of that year, when the minority rights of all Swedes in Finland were guaranteed by the new Constitution; in January 1919, when a Committee was appointed to draft proposals for granting autonomy to the Aaland Islands; and in May 1920, when an autonomy law was actually passed.

The Islanders, however, continued to appeal with great persistence and earnestness for the right of uniting with Sweden. The Swedish Government and public opinion in Sweden warmly supported these claims, and repeated attempts were made by the Swedish Government to negotiate on the

question with Finland. The Finnish Government, however, throughout took the position that Finland's sovereignty over the Aaland Islands was indisputable, and that, while quite ready to negotiate on the effective neutralisation of the Islands, it did not propose to discuss the question of a plebiscite. The conflict of views became increasingly bitter and public opinion on both sides was getting roused. In June 1920 the Finnish Prime Minister, accompanied by the Ministers of War and Commerce, visited the Islands to explain the new autonomy law that had just been passed and to urge its acceptance by the Islanders, who, however, flatly refused. The next day, June 5th, the two leaders of the secessionist movement, M. Sundblom and M. Björkman, were arrested for high treason and three companies of Finnish-speaking troops with a machine-gun section sent to the Islands. The Swedish Government protested on the ground that the arrested leaders were not engaged in any criminal activities and that the arrests, together with the despatch of Finnish-speaking troops to the Islands, were calculated to inflame the feelings of both the Islanders and Swedish public opinion. To this the Finnish Government replied that according to their information there was danger of the Islanders trying to force the Finnish Government with a *fait accompli* by simply declaring their independence, that the arrested leaders were quite clearly guilty of high treason under Finnish law, and that in any case both these matters were questions of internal policy with which the Finnish Government alone was concerned. The Swedish Minister soon after left Helsingfors and was not replaced.

GREAT BRITAIN'S APPEAL TO THE LEAGUE.

It was at this juncture that Lord Curzon, Foreign Minister of Great Britain, exercised the friendly right conferred on members of the League, under Article II of the Covenant,

to "bring to the attention of the Council of the League, the case of the Aaland Islands, as a matter affecting international relations which unfortunately threatens to disturb the good understanding between nations, upon which peace depends". At the same time the British Government informed the Governments of Sweden and Finland of its intention to take this step.

The First Council Meeting. — At the next meeting of the Council, held from July 9th to 12th, 1920, in London, Finland and Sweden were represented respectively by M. Enckell, Finnish Minister at Paris, and M. Branting, Prime Minister of Sweden. Sweden took her place, although not a member of the Council, under Article 4 of the Covenant, according to which "any member of the League not represented on the Council shall be invited to send a representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that member of the League". Finland, which was not at that time a member of the League, was given a seat on the same terms by a special resolution of the Council, in which Sweden concurred, in the spirit of Article 17 of the Covenant, which provides that : "In the event of a dispute between a member of the League and a State which is not a member of the League... the State or States not members of the League shall be invited to accept the obligations of membership in the League for the purposes of such dispute and upon such conditions as the Council may deem just". At this session both parties stated their case, and representatives of the Aaland Islanders were also heard, with the consent of the Finnish Government.

The Finnish Case. — The Finnish case was that, geographically and historically, the Islands were a part of Finland, that ethnically their population was a fraction of the Swedish minority in the Finnish nation, and that legally there was no

doubt whatever of Finnish sovereignty over the Islands. Consequently there was no doubt of Finland's political right to refuse to allow a plebiscite for the purpose of secession, and this right the Finnish Government proposed to retain, since, from both a military and economic point of view, the separation of the Islands would prejudice the very conditions of existence of the Finnish Republic, while, on the other hand, the Aalanders would not suffer any kind of oppression if they continued to live in the future, as in the past, under Finnish laws. By the laws providing for the rights of the Swedish minority in Finland and by the special law granting autonomy to the Aaland Islanders, the Finnish Government considered the national aspect of the question settled. It was at any time ready to enter into negotiations for the effective neutralisation of the Islands in order to settle the military aspect of the question. Finally, the Finnish Government claimed that the differences between the Aaland Islanders and the Finnish Government constituted "an internal question relative to the protection of ethnical minorities" and that consequently the dispute with Sweden arose, in the words of Article 15, paragraph 8 of the Covenant, "out of a matter which by international law is solely within the domestic jurisdiction" of Finland (1).

The Swedish Case. — The Swedish representative, M. Branting, declared that "the position was one of considerable gravity, and if Finland persisted in her attitude and failed to withdraw her troops from the Islands a conflict was likely to arise". He read a statement to the Council declaring that Sweden was absolutely unable to accept the view that the Council was not competent to deal with this

(1) Paragraph 8 of Article 15 of the Covenant reads: "If the dispute between the parties is claimed by one of them and is found by the Council to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report and shall make no recommendation as to its settlement".

dispute on the ground that it was entirely an internal question, and, while free from any annexationist tendencies, was "determined to put an end to the ferment which exists close to her frontiers". Sweden therefore desired the Council to take all measures to avoid a conflict and to arrive at a solution in conformity with the interests of the Aalanders and with the maintenance of peace and harmony between the two nations.

The Swedish Government asked that the Islanders should be allowed to determine by plebiscite whether they wished to remain under Finland or to become incorporated with Sweden. The right of self-determination was proclaimed by the Allies and consecrated in several of the peace Treaties. It gave freedom to Finland herself. Finland's own action and the case of the Danes in Schleswig-Holstein seemed to afford a precedent that ought to be followed in the case of the Aaland Islands. M. Branting denied the Finnish contention that the Irredentist feelings of the Aalanders were of very recent date and not likely to be long-lived, and appealed to history to show that this feeling had existed since time immemorial; that, in fact, the Aaland Islands were part of Sweden long before Finland became an autonomous province or a group of autonomous provinces within the Swedish Empire, and that during this period the Aaland Islands were considered as belonging rather to Sweden proper than to the Grand-Duchy of Finland. From the economic and strategic point of view, Sweden had, he considered, better claims than Finland. The Swedish Government would not, however, insist upon this aspect of the question except to off-set Finland's counterclaims on this ground. What the Swedish Government did ask was that the wishes of the inhabitants, who were the parties most concerned, should be given decisive weight in the settlement arrived at.

APPOINTMENT OF THE JURISTS' COMMISSION

After considerable discussion, in the course of which representatives of the Aaland Islanders were given a hearing, the Council decided that it could not proceed until the question of competence raised by the Finnish representative had been settled.

As the Permanent Court of International Justice was not then in existence, the Council, with the concurrence of the Swedish and Finnish representatives, decided unanimously to appoint a Commission of three international jurists to give the Council an advisory opinion with the least possible delay on the following questions : (1) Does the Swedish case as presented to the Council on the question of the Aaland Islands arise out of a matter which by international law is solely within the jurisdiction of Finland within the meaning of paragraph 8 of Article 15 of the Covenant? (2) What is the present state of the international obligations regarding the demilitarisation of the Aaland Islands?

Professor F. Larnaude, Dean of the Faculty of Law at Paris, Professor A. Struycken, Counsellor of State to the Kingdom of the Netherlands, and Professor Max Huber, Legal Adviser of the Swiss political department, were appointed members of this Commission, Professor Larnaude acting as President. At the invitation of the Council, the Finnish and Swedish Governments supplied the Commission with statements of their views upon the questions submitted to it, and two representatives of the Aaland Islands also contributed statements. The Commission, which met at Paris on the 3rd August, heard representatives of all three parties. On the 5th September it completed its task and adopted the following conclusions :

Report of the Jurists' Commission. — As regards the national status of the dispute, the matter was one of international concern, for it did not.

“refer to a definitive established political situation depending exclusively upon the territorial sovereignty of a State. On the contrary, the dispute arose from a *de facto* situation caused by the political transformation of the Aaland Islands, which transformation was caused by and originated in the separatist movement among the inhabitants, who quoted the principle of national self-determination, and by certain military events which accompanied and followed the separation of Finland from the Russian Empire, at a time when Finland had not yet acquired the character of a definitively constituted State”.

The Commission argued : (1) that the union of the Aaland Islands to the Russian Empire in 1809 was not carried out in the same way as that of Continental Finland; (2) that at the time Finland was emerging as an independent State in 1917-1918, such events as the civil war in Finland, the occupation of the Aaland Islands by German, Bolshevik and Swedish troops, and the attitude of the Islanders themselves, as well as the support of their claims by the Swedish Government, meant that the status of the Islands was left undefined; this view the Commission further contended was not invalidated by the fact that the Finnish Government was recognised during these events, because war-time recognitions, especially by belligerent Powers, did not necessarily imply that the frontiers of the nations recognised were definitively established.

Consequently, the Commission was of opinion that the dispute was not concerned with a matter recognised by international law as being solely an internal affair of Finland, and that the League Council was competent to recommend any solution it considered appropriate. The Commission

did not pronounce against the sovereignty of Finland, but left it to the Council to satisfy itself upon this point.

The Commission, however, admitted that a question did not become of international concern because it was brought before the Council by a Member of the League, which might or might not be a party to the dispute, but it must become so or remain a matter of domestic jurisdiction according to its intrinsic and special characteristics. The principle of self-determination, they also pointed out, was not mentioned in the Covenant, and its recognition in a certain number of international treaties could not be considered sufficient to put it on the same footing as a positive rule of the law of nations.

“On the contrary, in the absence of express provisions in international treaties, the right of disposing of national territory is essentially an attribute of the sovereignty of every State. Positive international law does not recognise the right of national groups as such to separate themselves from the State of which they form part by the simple expression of a wish, no more than it recognises the right of other States to claim such a separation. Generally speaking, the grant or refusal of a right to a portion of its population of determining its own political fate by a plebiscite or by some other method is exclusively an attribute of the sovereignty of every State which is definitely constituted. A dispute between two States concerning such questions under normal conditions, therefore, bears upon a question which international law leaves entirely to the domestic jurisdiction of one of the States concerned.”

As regards the military status of Islands, the Commission decided that :

“The provisions of the Convention and Treaty of Peace of 30th March, 1856, concerning the demilitarisation of the Aaland Islands are still in force.”

The latter conclusion was not disputed by either party; the former was contested by the Finnish Government.

Second Meeting of the Council and Appointment of the Committee of Enquiry. — The Council met from the 16th to the 20th September and on the basis of this report declared itself competent to deal with the case and decided to send a Committee of Enquiry to examine the situation on the spot and in Sweden and Finland, and to recommend a solution. The Swedish and Finnish representatives agreed to this procedure, the Finnish representative insisting once more that the Finnish Government maintained its view that Finland had full sovereignty over the Aaland Islands. They furthermore undertook to use their best endeavours to prevent any aggravation of the situation in the meantime.

The Committee of Enquiry was thereupon appointed, consisting of Baron Beyens (formerly Belgian minister at Berlin), M. Calonder (former President of the Swiss Confederation) and Mr. Elkus (former ambassador of the United States of America at Constantinople). The Belgian and Swiss members of the Committee spent the last two weeks of October at Paris studying the documents of the case and hearing verbal testimony. They left for Stockholm on the 3rd November, where they met the American member and stayed until the 25th of the month, after which they left for Helsingfors, where they pursued their investigations until the 8th December. After this they spent four days on the Aaland Islands and subsequently returned to Paris via Stockholm and Berlin.

Report of the Committee of Enquiry. — Their report, which was completed by April 1921, gave an exhaustive

account of the historic, economic and political aspects of the whole question. It stated that the matter was one of international concern, because it had "acquired such considerable international importance that it is necessary to submit it to the high authority which the League of Nations represents in the eyes of the world". The Committee faced squarely the question left open by the Jurists' Commission; the fundamental question at issue, it declared, was a legal one—namely, Finland's right of sovereignty over the Aaland Islands—and with regard to this question the Committee stated most emphatically that "the right of sovereignty of the Finnish State over the Aaland Islands is in our view indisputable, and their present legal status is that they form part of Finland".

The reasons adduced for this declaration were drawn chiefly from the history of Finland since 1809, from which period the country, although under Russian suzerainty, was considered to have been a definitely constituted autonomous State with well-marked frontiers including the Aaland archipelago. The fact that Finland became independent did not mean the creation of a new State but the completion of the autonomy of an already existing State. The recognition of Finland by various countries, including Sweden, must be held to bear the ordinary meaning of recognition in the absence of any reservations to the contrary in the text of the recognition. The fact that the Aaland Islands, together with other portions of Finnish territory, were at times occupied by foreign forces, was not held to invalidate this contention.

Arguing from this conclusion, the Committee declared its belief that the separation of territory from a Sovereign State was a drastic measure to be used only in the last resort. The Committee also insisted upon the importance of the views expressed by the Swedish-speaking population of Finland on the Continent and the rest of the Archipelago

constituting nearly 12 % of the total population. The Aaland Islanders, it was true, differed from the rest of the Swedish-speaking population of Finland in some respects, notably as regards their separatist leanings that inclined them towards Sweden. But they did not constitute a different ethnic group, and the representatives of the Swedish-speaking minority in Finland impressed upon the members of the Committee the fact that relations between the Finnish majority and Swedish minority in Finland would be rendered extremely difficult, to the great disadvantage of the minority, if the Aaland Islands were ceded to Sweden—a course which the Swedes of Finland would regard as an amputation of national territory against which they would protest just as energetically as the Finnish-speaking majority.

Moreover, there was no evidence that the Aaland Islanders ran any risk of denationalisation by remaining under Finland; there was every indication, on the contrary, that the Finnish Government was able and willing to give them the fullest guarantees and protection under this head. Only if this failed to prove the case could the contingency of secession be legitimately considered.

The Aaland Islanders, the Committee declared, would in time become reconciled to guaranteed autonomy under Finnish sovereignty, and peace and good relations between Sweden and Finland would be promoted.

The Committee consequently proposed that the Islands should remain under the sovereignty of Finland but that the fears of the Islanders should be allayed by a wider measure of autonomy.

The Council's Decision. — This report was considered by the Council at its meeting of the 17th to the 28th June, 1912, in the presence of the Swedish and Finnish representatives. Delegates of the Aaland Islands population were also heard. The Finnish and Swedish representatives having declared

their willingness to conform to the Council's decision, the Council, on June 24th, adopted a draft settlement of which the principal points were as follows :

(1) Finnish sovereignty over the Aaland Islands was recognised. At the same time, peace in general, cordial relations between Finland and Sweden, and the happiness and prosperity of the Islanders themselves could be assured only by additional guarantees to the population of the islands and by the neutralisation of the Archipelago.

(2) The new guarantees to be added to the autonomy law passed by the Finnish Diet in 1920 should be directed particularly to the preservation of the Swedish language in the schools; to the maintenance, for the inhabitants, of the right of pre-emption on any sales or transfers of landed property; to the restriction within reasonable limits of the franchise rights of immigrants, and to the appointment of a Governor enjoying the confidence of the population.

(3) An international agreement for the non-fortification and neutralisation of the Archipelago should give a guarantee to the Swedish people and to all interested parties that the Aaland Islands could never be a source of danger from a military point of view. For this purpose the Convention of 1856 should be replaced by a wider agreement under the guarantee of all the interested Powers, including Sweden, and conforming in its main lines to the draft presented by the Swedish Government.

M. Bränting, in the name of the Swedish Government, thereupon read a formal protest in which he expressed the "deep disappointment" that the Swedish nation would experience on learning the Council's decision. At the same time he recorded his Government's readiness to recognise loyally that the decision of the Council possessed the binding force given to it by the terms of the Covenant, although in the Swedish view it was unjust and unfortunate in this particular case. M. Enckell, in the name of the Finnish

Government, accepted the Council's decision and expressed the belief that the grievances of the Aaland Islanders would prove temporary and superficial, and that the Islanders would soon live contentedly with their fellow-citizens in the Finnish Republic.

The settlement having been accepted in principle, there remained the task of working out the guarantees to be given to the Aaland Islanders and of concluding an international agreement for the non-fortification and neutralisation of the islands.

At the suggestion of the Council the Swedish and Finnish representatives, with the help of the Belgian representative on the Council, M. Hymans, then negotiated and themselves drew up an agreed scheme for the guarantees to be given to the Aaland Islanders on the basis of the Committee's report. These guarantees, which were adopted by the Council in its session of June 27th, 1921, and which were subsequently given the force of constitutional law by the Finnish Parliament, read as follows :

"1. Finland, being resolved to ensure and to guarantee to the population of the Aaland Islands the preservation of their language, culture, and local Swedish traditions, undertakes to insert in the near future the following guarantees in the Law for the Autonomy of the Aaland Islands of May 7th, 1920.

"2. The Landsting and the Communes of the Aaland Islands shall in no circumstances be obliged to maintain or to subsidise any schools other than those in which Swedish is the language of education. In the State educational establishments, instruction will also be given in the Swedish tongue. The Finnish language shall not be taught in the primary schools which are maintained or subsidised by the State or

by the Communes without the consent of the Commune concerned.

"3. Whenever real estate situated in the Aaland Islands is sold to a person who is not legally domiciled there, the Provincial Council or the Commune in which the real estate is situated shall be entitled to re-purchase the said real estate at a price which shall be fixed, if an agreement cannot be reached, by the Court of First Instance, having due regard to the current price.

"4. Persons immigrating into the Aaland Archipelago who possess the rights of citizenship in Finland shall not acquire the right to communal and provincial suffrage in the Islands till they have been legally domiciled there for five years.

"5. The Governor of the Aaland Islands shall be appointed by the President of the Finnish Republic in agreement with the President of the Landsting of the Aaland Islands. If it is not possible to reach an agreement, the President of the Republic shall select the Governor from a list of five candidates, nominated by the Landsting and possessing the qualities necessary to ensure the good administration of the Islands and the security of the State.

"6. The Council of the League of Nations will see that the guarantees provided above are duly observed. Finland shall transmit to the Council of the League of Nations, together with its own observations, any complaints or claims by the Aaland Landsting in regard to the application of these guarantees, and the Council may, in case the question shall be of legal nature, consult the International Court of Justice".

The Aaland Landsting has never made use of the right of appeal to the Council to which it is entitled by this article.

THE AALAND ISLANDS CONVENTION.

The remaining task—that of an international convention for the non-fortification and neutralisation of the Aaland Islands—was disposed of at an International Diplomatic Conference summoned by the Secretary-General on the instructions of the Council. The Conference was held at Geneva from October 10 to 20, 1921. The States participating were Denmark, Estonia, Finland, France, Germany, Great Britain, Italy, Latvia, Poland and Sweden. A Convention was framed at this Conference which provides explicitly and in detail for the neutrality of the Aaland Islands on land, sea and in the air, in peace and war. Certain Articles of the Convention, dealing with guarantees and with respect for the neutrality of this zone in case of war, provide for the intervention of the Council of the League of Nations. Thus, in case of a war involving the Baltic, Finland could, in order to assure that the neutrality of the zone was respected, lay minefields temporarily in the zone and take the naval measures unavoidably necessary for this purpose, provided she immediately reported the matter to the Council of the League of Nations.

In order to safeguard the maintenance of the Convention or to take steps against its violation, the High Contracting Parties are to refer individually or jointly to the Council of the League, in order that the latter may decide on the measures to be taken, and they undertake to help in carrying out the measures thus decided upon. For this purpose the Council will invite Powers parties to the Convention to sit in the Council, whether those Powers are or are not Members of the League. The vote of the representative of the Power accused of having violated the provisions of the Convention will not count in the voting on the decision taken by the Council. If unanimity is nevertheless not achieved, the High Contracting Parties are severally authorised to take any steps

that the Council may decide upon by a majority of two-thirds, excluding the vote of the accused Power.

In case the neutrality of the zone should be endangered by an act of violence (*coup de main*), Finland could take the measures necessary to ward off the aggressor until the High Contracting Parties were in a position to intervene. Finland should, in such a case, immediately report the matter to the Council.

The provisions of the Convention are to remain in force whatever may be the eventual changes in the present *status quo* of the Baltic.

This Convention is the first international instrument in which the neutrality of a territory is guaranteed by States acting in their capacity as members of the League of Nations. By this innovation the Diplomatic Conference which drew up the Convention wished, in the words of the British delegate to the Council, "to recognise the part played by the League in the settlement of conflicts and to keep it permanently in touch with this question".

In its session of January 14, 1922, the Council, in view of the manifest intention of the signatory Powers to conform to the letter and spirit of the Covenant in any emergency, decided to accept the obligations laid upon it by the Convention and to call the terms of the Convention to the attention of all the members of the League, to ensure its being universally respected.

The Convention came into force on April 6, 1922, by the deposit at the Secretariat of the ratifications of Denmark, Finland, France, Germany, Great Britain and Sweden.

POLISH-LITHUANIAN DISPUTE

1. ORIGIN AND NATURE OF THE DISPUTE

In Article 87 of the Treaty of Versailles the Allied and Associated Powers reserved the right to fix at a later date the frontiers of Poland which were not defined in the Treaty. The boundaries of the Polish State with the former Russian Empire were therefore left undetermined. To mitigate the disadvantages of this provisional state of affairs, the Supreme Council of the Allied Powers on September 8th, 1919, indicated a line, later known as the "Curzon line" (1), to the west of which Poland was authorised to establish a regular administration. This decision, however, expressly reserved Poland's right to the territory she claimed to the east of the line. It should be noted that Lithuania, which had not yet been recognised by the Allied and Associated Powers, never regarded herself as bound by the decision concerning this line of demarcation, and that the Poles had occupied territory beyond this line. In the spring of 1919 the Poles drove the Bolsheviks out of the town and district of Vilna, which was under their administration until July 1920. During this period a *de facto* line of demarcation, which had not been fixed by any Convention, separated the Polish and Lithuanian forces; it joined the line of December 9th north of Grodno and ran nearly straight from the Niemen 60 kilometres below Grodno in a north-easterly direction towards Dvinsk.

In July 1920 under the pressure of the Bolshevik offensive, the Poles evacuated Vilna. On July 12th, by a Treaty

(1) Because Lord Curzon advised the Poles to withdraw to the west of this line at the time of the Bolshevik invasion of 1921.

which was signed at Moscow, the Soviet Government ceded to Lithuania the town and district of Vilna, which were occupied by the Lithuanian forces on the 14th of the same month.

The frontier fixed by the Treaty of Moscow left the towns of Vilna, Lida and Grodno in Lithuania; to the west this frontier touched the Bobr 30 kilometres from the Prussian frontier, thus encroaching on the Curzon line.

In September 1920, as a result of the Polish counter-offensive, the situation between Poland and Lithuania became acute, the Polish forces having encountered Lithuanian troops to the west of the Curzon line. The Polish Government accused the Lithuanian Government of not having remained neutral in the war between Poland and the Soviet Republic.

Such was the position of affairs to which the Polish Government drew the attention of the Council of the League of Nations in September, 1920, asking it to do all in its power to bring about the withdrawal of the Lithuanian troops, and thus avert war between two nations which had been bound by the closest ties of friendship for several centuries.

2. THE DISPUTE BEFORE THE COUNCIL

This dispute was destined to engage the Council's attention from September 1920 until the beginning of 1922. In the first instance, however, its intervention was solicited by the Polish Government only with a view to securing a provisional settlement. The important point was to avert the hostilities which were imminent between the opposing forces. The first steps taken by the Council were therefore dictated by this consideration. The Council confined itself to appealing to the conciliatory spirit of the two Governments and to setting up a military commission of control on the spot. But

the course of events soon showed the inadequacy of partial action, which dealt with only one of the symptoms of the dispute while doing nothing to cure its fundamental causes. It became clear that it was not purely due to the chances of the Bolshevik retreat that a clash between the Polish and Lithuanian armies was imminent. A profound misunderstanding existed between the two countries. The crux of the problem, which was the territorial dispute, was to engage the attention of the Council before many weeks had elapsed.

A distinction should be made between the two aspects of the Council's activities during the dispute, which corresponded to the two aspects of the problem itself :

Firstly, the Council strove to avert hostilities and to mitigate the consequences of a state of rupture;

Secondly, the Council proposed to the parties concerned the procedure which seemed best calculated to settle the territorial dispute.

ACTION TAKEN BY THE COUNCIL TO AVERT HOSTILITIES

At its Session of September 1920 the Council, after hearing the representatives of the Lithuanian and Polish Governments, became convinced that the only effective way of preventing the outbreak of hostilities was to make its influence felt on the spot. It consequently decided to send out a military commission composed of English, Italian, Japanese and Spanish officers and presided over by Colonel Chardigny, a Frenchman. This Commission immediately proceeded to the scene of the dispute and met the plenipotentiaries of the two Governments at Suwalki, where they signed an Agreement on October 7th, 1920, provisionally fixing the respective positions of their forces, without prejudice to the eventual attribution of the disputed territory. The provisional line of demarcation coincided with the Curzon line,

as far as the Grodno district, then turned to the east and continued as far as the Lida-Vilna railway.

THE ZELIGOWSKI INCIDENT

The lull produced by the intervention of the Military Commission of Control was suddenly broken by new developments. The Polish army had driven the Soviet troops from Grodno and Lida, and an armistice and the preliminaries of peace had been signed between Poland and the Soviet Republic at Riga. On October 8th, General Zeligowski crossed the line of demarcation which had been agreed upon under the auspices of the Military Commission of Control, and entered Vilna at the head of a division, establishing a provisional regime under the name of the "Government of Central Lithuania".

Although the Polish Government declined all responsibility for the events which took place at Vilna and repudiated General Zeligowski, it asserted that it was not in a position to send troops against him, as his action was unanimously approved by Polish public opinion.

EXTENSION OF THE COUNCIL'S INTERVENTION

In view of the aggravation of the situation thus produced, the Council, at its Session at Brussels at the end of October 1920, unanimously decided that any action which might be taken to avert the renewal of hostilities would be inadequate if it were not supplemented by sustained efforts to settle the territorial problem. Accordingly the Council pursued simultaneously two separate but closely allied courses of action.

CONTINUATION OF THE COUNCIL'S ACTION ON THE SPOT.

The Military Commission of Control remained on the scene of the dispute until the beginning of 1922. Its headquarters were established successively at Vilna and at Kovno, but the Commission moved about from place to place in its efforts to prevent any act of provocation. It secured the establishment of three neutral zones to separate the opposing forces, one in the Suwalki district, another in the Vilna district (in consequence of the Agreement of November 29th, 1920 between Zeligowski's forces and the Lithuanian troops) and a third in the north-eastern district as far as the Latvian frontier. In this way the Military Commission of Control was able for nearly two years to avert hostilities and reduce to a minimum all acts of provocation in the area under its supervision.

EFFORTS BY THE COUNCIL TO SETTLE THE TERRITORIAL DISPUTE

Having taken these steps to avert the danger of armed conflict, the Council turned its attention to settling the territorial dispute between the two States. Both claimed the town of Vilna and the surrounding district.

M. Hymans, Belgian delegate and rapporteur to the Council, later summarised the conflicting claims of the two Governments as follows :

"It is enough for me to say that the Lithuanians quoted from the history of the Grand-Duchy of Lithuania and from the Treaty of Moscow of July 12th, 1920, in which the Soviet renounced Russian sovereignty over Vilna and its territory in favour of Lithuania; they emphasised the fact that the Lithuanians, together with the white Russians, constituted the original

population of this territory, although a portion of them do not speak Lithuanian, and that the Polish-speaking inhabitants do not exceed 20 % of the total population of the territories in dispute. Lastly, they said that the basis of the Niemen constituted an economic unit, of which Vilna was the natural centre, and that, if this unit were divided, this town and its district would fall into decay. They refused to admit the value of any manifestation in favour of union with Poland under the present regime of military occupation.

“The Polish Delegation pointed out that the word ‘Lithuanian’ had a double meaning, since it was sometimes used to denote a definite ethnographical region and sometimes to denote an historical territory—the Grand-Duchy of Lithuania—which had never possessed the characteristics of a nation in the modern sense of the word, and which, as its history showed, had been since the 14th century closely associated with Poland and permeated with Polish culture. Vilna was the capital of this Grand-Duchy, of the ethnographical Lithuania.

“The Polish Delegation contested the statistical data upon which the Lithuanian claim was based, and estimated the Polish element at more than 60 per cent of the population of the territory in dispute. It refused to admit that the Government of the Soviets had any right to dispose of Vilna and its territory, seeing that it had itself on August 28th, 1918, cancelled all treaties referring to the partition of Poland. The Delegation quoted Article 3 of the Treaty of Riga, in which Soviet Russia declared that the settlement of all territorial disputes between Poland and Lithuania west of the frontier fixed by that Treaty exclusively concerned these two States.

The Delegation contested the necessity, from an economic point of view, of attaching the Vilna territory to Lithuania, and declared that the territory in question could only recover its prosperity with the aid of Poland. Lastly, it pointed out that the population continued to give expression to its desire to belong to Poland, and declared that its future could not be decided without reference to the population."

To reconcile such conflicting claims and to find an equitable solution for this complex problem, the Council successively tried three different methods—reference to the population, direct negotiation between the representatives of the two States, and a recommendation on the lines of Article 15 of the Covenant.

A. — ATTEMPT TO HOLD A REFERENDUM

Following the precedents created by the various treaties of peace which had provided for the consultation of the populations concerned by means of a plebiscite, notably as regards the delimitation of the frontiers of Poland, the Council first recommended this solution in a resolution dated October 28th, 1920.

In order that this referendum should take place as quickly as possible, the Council sent to the territory in question a Civil Commission, also presided over by Colonel Chardigny, and composed of General Burt (Great Britain), M. de Brichanteau (Italy), M. Soura, the Spanish Consul-General at Brussels, and M. Naze, the Belgian Consul. This Commission immediately set to work to determine the procedure for a plebiscite and to take all the administrative and political measures necessary for its preparation. Moreover, the Council decided to send out an international police force to

keep order in the districts to be evacuated by General Zeligowski's troops; Great Britain, France, Belgium, Spain, Sweden, Denmark, Norway and Greece offered contingents, and the Netherlands Government signified its readiness to lay a bill before Parliament authorising it to add a detachment to those of the other Powers.

This scheme provided for a kind of international expedition which, as M. Hymans said, was to be not a warlike but a peaceful expedition which would testify to the sense of international solidarity of the members of the League.

While the Commissions of the League of Nations which had been sent to the scene of the dispute were endeavouring to carry out the necessary measures for the organisation of the plebiscite a Committee of the Council, composed of M. Léon Bourgeois, the French representative, M. Quiñones de León, the Spanish representative, and Viscount Ishii, the Japanese representative, was formed to keep in touch with the activities of these Commissions, to send them instructions, and to communicate with the Governments to which the organisation of the expeditionary force had given a direct interest in the solution of the dispute.

The information which reached this Committee with regard to the local conditions revealed numerous difficulties. The Military Commission of Control had been unable to secure any reduction in the strength of the opposing forces. The Lithuanian Government raised various objections and, in particular, disputed the possibility of organising a referendum in a district in which the inhabitants had been subjected to a military occupation. It would therefore have been necessary to quarter the international police force for a prolonged period in the disputed areas in order to re-establish a normal situation by degrees and, so far as possible, restore perfect freedom of choice to the population. But a rapidly organised plebiscite and an expedition of short duration was what

had been contemplated. The reports received from the Commissions on the spot revealed other difficulties. Votes would have had to be given to the White-Russian inhabitants, who were comparatively numerous and who did not appear to be competent to pronounce on the nationality question. It therefore appeared doubtful whether a plebiscite in these districts would give clear and definite results of a nature to provide satisfactory data for the demarcation of the frontier. It had been found impossible also to secure an agreement between the two countries concerned regarding the delimitation of the territory in which the plebiscite should be held. The sanitary conditions of the district to which the international police force was to be sent were such as to give rise to some misgivings to the Governments which had consented to take part in the expedition. Lastly, a difficulty of another kind arose: the Swiss Government objected to the passage through its territory of certain contingents of the international police force.

In view of these difficulties, the Council of the League of Nations, in the course of its Twelfth Session held at Paris from February 21st to March 4th, decided to give up the idea of a plebiscite, after hearing the Commission's report; the opinion of the Special Committee of the Council, and the conflicting views of the two parties. It therefore resolved to withdraw the Civil Commission, but maintained the Military Commission of Control and endeavoured to provide another method of peacefully settling the dispute.

B. DIRECT NEGOTIATIONS BETWEEN THE TWO STATES

In a resolution dated March 3rd, 1921, the Council defined as follows the procedure of conciliation proposed to the Polish and Lithuanian Governments :

"Direct negotiations on equal terms to be opened between the two Governments at Brussels within one month under the presidency of M. Hymans, in order to arrive at an agreement which should settle all territorial economic and military questions in dispute between the two countries."

The negotiations opened (in May 1921) with an exchange of views, in the course of which the representatives of the two countries stated the claims of their respective Governments.

With this information before him, M. Hymans proposed as a basis for discussion a preliminary scheme of settlement closely co-ordinating the question of the attribution and status of the disputed territory and that of the general relations between the two States.

M. Hymans' Draft.

The following are the salient points of the draft proposed by M. Hymans :

1. Preamble.

The two States mutually recognise each other's sovereignty and recognise that they have common interests requiring the establishment of a special form of co-opération.

2. Status of the disputed territory.

The Vilna district to constitute an autonomous canton forming part of a Federal State of Lithuania. The Central Government at Vilna to have the same powers as the Swiss Federal Government.

The Army to be organised on a basis of local recruiting under a single command. The Polish and Lithuanian languages to be the official languages throughout the State. Ample guarantees to be accorded to minorities.

3. Organisation of liaison between the two States.

(a) *Foreign affairs.* — A joint Council for Foreign Affairs consisting of officials of the two Governments to decide by a majority of votes what are the questions which jointly concern the two countries, with a view to taking common action. Delegations from the two Diets selected in accordance with a system of proportional representation to consider jointly all measures of foreign policy which require legislative sanction. The text approved by them to be submitted to the two Diets for ratification.

(b) *Military organisation.* — A defensive military convention between the two States to be drawn up permitting co-operation as regards mobilisation of transport, use of bases, etc. A single command to be established in the event of joint military operations (the main body of Lithuanian troops to be left, however, under Lithuanian command). In case of disagreement regarding the defensive character of the operations, the decision to lie with an arbitrator previously appointed by the Council of the League of Nations or by the President of the Permanent Court of International Justice.

(c) *Economic and transit questions.* — An economic convention of a more comprehensive nature than the most-favoured-nation clause to cover the reciprocal admission of the two countries' products. A common organisation to see that the Agreement is carried out. Free access to the Lithuanian ports to be granted to Polish traffic. The Allied Powers to be requested, when handing over Memel to Lithuania, to reserve a private right of access to Poland.

4. *Arbitration.* — In case of disagreement as to the interpretation of the Convention, the two countries to accept the decision of an arbitrator appointed by the League of

Nations or by the Permanent Court of International Justice.

Suspension of the Negotiations.

The two delegations which had met at Brussels were asked by M. Hymans to state whether they considered this draft to be acceptable as a basis for discussion.

On May 27th, the Lithuanian delegation replied in the affirmative but pointed out that this acquiescence did not constitute an undertaking to accept either any particular article or the whole draft, and that it was subject to a similar acceptance by the Polish delegation of the text of the draft as a basis for discussion.

On May 28th, the Polish delegation returned a conditional reply. It declared that the principles of the draft could be regarded as a basis for discussion only if they were accepted by the population of Vilna and its district, and that consequently the negotiations could be proceeded with only if the population concerned took part therein on an equal footing.

M. Hymans pointed out that this entirely new demand was in contradiction with the agreement that the dispute should be settled by direct negotiation between the two States. He therefore felt obliged to suspend the negotiations and refer the matter back to the Council.

Attempts to resume Negotiations.

At its session in June 1921, the Council considered the result of the Brussels negotiations, and, after expressing the opinion that the draft proposed by M. Hymans was calculated to lead to an agreement, adopted a resolution inviting

the two Governments to resume negotiations on July 15th upon the basis of M. Hymans' draft scheme.

In consideration of the observations submitted by Poland, the Council added that, with a view to affording a guarantee to the various ethnical groups of the populations concerned that their feelings and claims would not be ignored, one or two representatives of each group might, at the suggestion of either party, be heard in the course of the negotiations for the purpose of giving information to the Conference; moreover, the Agreement signed by the Governments would be submitted to the Diets of the two countries and subsequently to that of Vilna, the establishment of a Diet for the latter being provided for in the draft scheme.

In order to provide a provisional organisation for the disputed territory, the Council recommended that all the men in the forces of occupation who were not natives of the disputed territory should be withdrawn from the territory; from July 15th onwards, a local police force not exceeding 5,000 men would be organised to assure the maintenance of order. Officials who were not natives of the country should also be gradually withdrawn.

Before September 1st, the Lithuanian troops should reoccupy their normal peace stations and their strength should be reduced. The Military Commission of Control would remain on the spot, see to the execution of these measures and endeavour to open the Vilna-Grodno railway to traffic.

This recommendation of the Council was not accepted without reservations by the Polish Government, which declared that the Polish soldiers serving in General Zeligowski's army would be recalled to Poland, but that the Polish Government could not undertake to do more than transmit to that General the Council's wishes regarding the reduction of the forces remaining under his command.

The Lithuanian Government on the other hand declared that it was not in a position to give effect to the Council's recommendations. It demanded the return to the *status quo* before General Zeligowski's act of violence. These refusals rendered impossible the resumption of direct negotiations recommended by the Council. Nevertheless M. Hymans was anxious to call a further meeting of the representatives of the two countries before the next session of the Council, with a view to seeking once more a common ground for agreement. His invitation was accepted and on August 26th, 1921, negotiations were resumed at Geneva, first in the form of private discussions and later in an official form.

Resumption of Negotiations.

M. Hymans gave the two parties to understand that the considered it impossible to pursue the negotiations in the form in which they had hitherto been conducted, as the discussions threatened to go on indefinitely without any result. A definite solution must be found, and if the agreement of the two parties could not be obtained to any proposal of conciliation, it would be left to the Council, in conformity with Article 15, paragraph 4, of the Covenant, to make a final recommendation as a conclusion to the proceedings which it had instituted.

The Belgian representative accordingly invited the representatives of the two Governments to pronounce with the least possible delay on a slightly modified draft of his original proposal.

M. Hymans' Second Draft.

This second draft differed from the first only in the following respects :

(a) Status of Lithuania :

The organisation of the Lithuanian State would not

necessarily be federal. The Canton of Vilna, however, would retain the same guarantees of autonomy as in the first draft.

(b) Organisation of liaison in foreign affairs .

The task of settling questions of common interest to the two countries would belong not to a Council composed of officials but to the delegations of the two Diets also specified in the first draft.

(c) Additions :

A new provision stipulated that :

If Poland or Lithuania should in future desire to propose amendments in the present agreement they undertake to submit such amendment to the Council of the League of Nations.

(d) Protocol annex :

A protocol laid down that after the agreement had been approved by the two Governments a meeting of the representatives of the population of the disputed territory should be called at Vilna to provide them with an opportunity of giving their opinion on the scheme. This opinion would be directly communicated to the Council of the League of Nations by the Diet of Vilna to allow the Council to make any changes it might think fit, taking into account the wishes of the population.

Breakdown of Negotiations.

When called upon to pronounce on this new proposal, the two delegations sent written replies which made it impossible to proceed with the negotiations.

The Lithuanian representatives, while not rejecting the draft, demanded the introduction of amendments which

would have seriously altered its character. The Polish Delegation declared that, having accepted the Council's recommendation of June 28th approving M. Hymans' first draft as a basis for discussion, it saw no reason to modify its original attitude, nor could it approve of a new procedure proposed to secure the acceptance as a whole of a new draft agreement.

C. FINAL RECOMMENDATION BY THE COUNCIL

At its meeting of September 19th, 1921, the Council heard a report by M. Hymans on his final efforts to induce the representatives of the two Governments to accept a solution. It also heard the statements of the Polish and Lithuanian Delegates, who explained their attitude regarding M. Hymans' second draft. At a meeting held on the next day, September 20th, each of the members of the Council in turn spoke in favour of the procedure proposed by M. Hymans and urged the representatives of the two countries to accept the means which were offered them of reaching an equitable solution of the dispute.

The Council then unanimously adopted the following recommendation :

“The Council of the League of Nations,

“In view of the report submitted to the Council by M. Hymans on June 27th last with regard to the Brussels negotiations;

“And in view of the fact that the Council, by its Resolution of June 28th, unanimously approved the draft scheme drawn up by M. Hymans in agreement with the two delegations, and was of opinion that this draft should lead to a definite agreement between Poland and Lithuania;

"Having considered M. Hymans' report upon the action taken in pursuance of the Council's Resolution of June 28th, and on the present position of the dispute;

"Having heard the arguments advanced by the two delegations;

"Considering that —

"(1) In the course of the direct negotiations presided over by M. Hymans, the latter obtained the assent of both parties to the preparation of a draft scheme as a basis for agreement;

"(2) Considered that M. Hymans' first draft, the Council's Resolution of June 28th, and M. Hymans' second draft, as communicated to the two delegations on September 3rd, differ only in detail and are based on the same principles, *i. e.* the constitution of the Vilna territory as an autonomous canton on a basis similar to that of the Swiss Constitution, within the Lithuanian State, and a political, military and financial understanding between Poland and Lithuania;

"(3) Considering that the principles of the autonomy of the region of Vilna within the Lithuanian State and of the political, economic and military understanding between the two countries have received the general approval of both parties (see the Lithuanian Delegation's letters of May 27th and September 12th, the telegram from the Polish Minister of Foreign Affairs of July 15th and the letter from the Polish Delegate of September 13th) and considering that the difficulties which still remain relate to the application of these principles;

"And being of opinion that, as complete agreement has not been obtained, the Council is bound, in conformity with Article 15, paragraph 4, of the Covenant, to publish the recommendations which are deemed just and proper in regard thereto :

"The Council unanimously adopts M. Hymans' second draft scheme.

"Since the Assembly is actually in session the Council further decides to request M. Hymans to explain to the Assembly the present position of the dispute, in order that the Assembly may, by its authority, contribute to a settlement of the question."

III. THE DISPUTE BEFORE THE SECOND ASSEMBLY

In conformity with the Council's resolution, M. Hymans gave the Assembly an account on September 24th, 1921, of the Council's efforts to find a solution for the Polish-Lithuanian dispute. He reviewed one by one the attempts which had been made in the course of the past twelve months. He explained the reasons for which the proposed programme had been abandoned and direct negotiations broken down, and justified the considerations on which the preliminary draft had been based and the subsequent changes made in the draft to render it easier of acceptance. Lastly, he showed how the Council, having exhausted all other means of conciliation, had been led to make a final recommendation in conformity with Article 15, paragraph 4, of the Covenant.

In conclusion, he asked the Assembly to give the Council the full support of its authority with a view to inducing the two Governments to come to an understanding and to accept a conciliatory and peaceful solution.

Appealing to the statesmanship and good-will of the Governments concerned, he added :

"In the name of these peoples, as the representatives of the world assembled here in an attempt to attain at last the peace which flies from us, in the attempt to realise in

practice the peace which we have proclaimed upon paper, but which has not yet been finally established, we solemnly ask them to achieve this great act of peace, of consent and of conciliation."

In the debate which ensued, the Lithuanian delegate justified his Government's attitude by recalling the obstacle placed in the way of a friendly settlement of the dispute by the act of violence accomplished by General Zeligowski, who, notwithstanding the efforts of the Council, had not yet evacuated the disputed territory.

At the following day's meeting the Polish representative stated the reasons for which his Government had found itself unable to accept the Council's recommendations and concluded by proposing as a final method of solution to call upon the populations concerned to pronounce on their own fate.

Subsequently, M. Freire D'Andrade, the Portuguese representative, Lord Robert Cecil, the South African representative and M. Zahle, the Danish representative, made speeches calling upon the two Governments to show a conciliatory spirit. Lastly, M. Bourgeois, the French representative, associated himself with this appeal, voicing the Assembly's feelings in the following words :

"The spirit which has animated our debate is the spirit which puts the common interest—the major interest of peace—above the limited and special interests of each country; the spirit which induces each one of us to consent to sacrifices, in one matter or another submitted to us, in order to reconcile our real and legitimate interests with the major interests... this is what both countries must determine if they wish to be in harmony with the spirit of the Assembly."

The following resolution submitted in the course of the

debate by Lord Robert Cecil and M. Zahle was then unanimously adopted :

"The Assembly, having heard the explanation of M. Hymans on the dispute between Poland and Lithuania, and having taken note of the resolution of the Council of September 20th, expresses its warm appreciation of the skill and patience displayed by M. Hymans in the cause of peace and thanks the Council for its action and assures it of the full support of the Assembly.

"Appealing to their wisdom and to their common memories of the past, the Assembly calls upon the two peoples to reach an agreement, which is as necessary for them as for the peace of the world."

Conclusion of the Council's Action on the Spot.

The negative attitude adopted by the two Governments towards the Council's final recommendation was confirmed by the declarations made by the Polish and Lithuanian representatives before the Council at its meeting of January 12th, 1922, the Lithuanian Government stating its inability to accept M. Hyman's second draft without considerable amendments, and the Polish Government judging it impossible to waive its previous objections.

Withdrawal of the Military Commission of Control.

The Council's action had, therefore, to come to an end, and by a Resolution dated January 13th, it decided to withdraw the Military Commission of Control within one month.

The withdrawal of the Commission raised the question of the suppression of the neutral zones which had been

established under the supervision of the Commission to separate the opposing forces. The Council thereupon expressed the opinion that the best solution would be to substitute for the neutral zones, which threatened to become the scenes of disorder, a provisional line of demarcation which would in no way prejudice the rights of the two States.

Before bringing its efforts to a close, the Council gave its attention to certain subordinate questions which had hitherto been partially solved in consequence of the presence of the Military Commission of Control. It had, for example, to consider the question of diplomatic and consular relations between the two States. It enjoined them to endeavour to re-establish these relations without delay, or at any rate to entrust their respective interests to representatives of friendly powers who would undertake to see that the measures of pacification recommended by the Council were observed.

The Council also gave its attention to the protection of minorities in the disputed territory and asked the two parties to allow the League of Nations to send representatives, if necessary, to study the situation and report to the Council.

Suppression of the Neutral Zones.

It was not long before the withdrawal of the Military Commission of Control resulted in additional hardships for the inhabitants of the neutral zones, as these areas were neither administered nor policed. Acts of violence became frequent, so much so that the Council deemed it necessary to consider the suppression of a system the dangers of which outweighed the advantages.

Accordingly, by a Resolution dated May 12th, 1922, it sent M. Soura, who had been a member of the Civil

Commission for the Plebiscite, to study the establishment of a provisional line of demarcation. The Lithuanian Government opposed this project, but it was accepted by the Polish Government. After several months of delay, during which the disadvantages of maintaining the neutral zones became more and more evident, the Council, in a Resolution dated February 3rd 1923, gave each of the two Governments the option of establishing a regular administration in the neutral zones on either side of a line of demarcation adopted on the recommendation of the Council's delegate.

* * *

Thus concluded the Council's action in the disputed areas, which the Council's efforts, over a period of two years, had prevented from becoming the scene of serious conflict (1).

UPPER SILESIA

The Treaty of Versailles laid down in Article 88 that a plebiscite should be held by communes in a portion of

(1) A few weeks later, another authority, the Conference of Ambassadors, substituted a final settlement for the provisional regime established by the Council of the League of Nations.

In exercise of the right they had reserved, in virtue of Article 87 of the Treaty of Versailles, of fixing the frontiers of Poland other than those laid down in the Treaty itself, the Principal Allied and Associated Powers represented on the Conference of Ambassadors took a decision on March 15th 1923, fixing all the Polish frontiers which had not yet been settled, including the Polish-Lithuanian frontier. The political frontier thus fixed coincides with the provisional line of demarcation proposed by the Council of the League of Nations.

It may be noted that the Lithuanian Government registered its protest against this decision of the Ambassadors' Conference.

German Upper Silesia defined by the Treaty in order to determine whether the inhabitants wished to remain German or to become Polish. A frontier was subsequently to be traced by the Principal Allied Powers in accordance with the wish of the population as shown by the plebiscite and taking account of geographical and economic circumstances.

The plebiscite, which was prepared by an International Commission, was held on March 20th, 1921. A Polish insurrection broke out in Upper Silesia just as the International Commission was about to communicate to the Supreme Council its report on the results of the plebiscite.

The Supreme Council met on June 20th, but neither the members of the Plebiscite Commission, a Committee of Experts, nor the representatives of the Governments on the Supreme Council were able to agree as to how the new frontier should be traced. The difference of views was sharpest when it came to delimiting and describing the industrial and mining area of Upper Silesia. According to the British view there was in this district an "indivisible triangle", comprising the industrial area properly speaking (but not the mines to the south), inhabited by a population the majority of which had voted for Germany; the French view insisted that the mining basin and industrial area formed a whole and that it was impossible to treat the industrial triangle as though it were an isolated district.

In spite of an attempt at a compromise between these views made by Count Sforza, Minister of Foreign Affairs of Italy, it was impossible to reach agreement. There was a risk that the question might lead to a rupture between the Allies and hostilities between Poland and Germany.

I

SUPREME COUNCIL REFERS THE QUESTION TO THE LEAGUE

On August 12th, 1921, M. A. Briand, as President of the Supreme Council, wrote to Viscount Ishii, President of the Council of the League of Nations, to inform him that the Supreme Council had decided to submit to the Council of the League of Nations "the difficulties attending the fixing of the frontier between Germany and Poland in Upper Silesia, and to invite the Council to indicate to them the solution which it recommends as to the delimitation of the frontier which the Principal Allied and Associated Powers should adopt". The Supreme Council's request to the Council of the League of Nations was made in virtue of Article 11, paragraph 2, of the Covenant of the League of Nations, which declares that it is "the friendly right of each member of the League to bring to the attention of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding upon which peace depends".

M. Briand added that "in view of situation in Upper Silesia, the Council of the League was requested to treat the matter as one of the utmost urgency", and he drew the particular attention of the Council to the importance which the Allied Powers attached to a prompt consideration of the question.

The Council of the League convened.

On August 12th, Viscount Ishii informed M. Briand that he had summoned the Council of the League of Nations to meet in extraordinary session at Geneva on August 29th, and expressed the firm conviction that "in view of the text

and the spirit of the Covenant" his colleagues on the Council would declare themselves ready to assume the task entrusted to them by the Supreme Council. Viscount Ishii also specified the conditions on which the Council of the League of Nations would undertake to consider the question. He observed that the Supreme Council had announced its intention to do all in its power to prevent any trouble arising in Upper Silesia which might embarrass the deliberations of the Council. As the question had been referred to the Council "without reserve or restriction", the Council would consequently have "complete liberty to deal with it as it might consider advisable". The Governments represented on the Supreme Council would refrain from any action which might infringe this liberty or prejudice an impartial consideration of the question by the Council of the League. In conclusion, Viscount Ishii expressed the hope that the Council of the League of Nations would submit in the near future a recommendation unanimously adopted by all its members.

Viscount Ishii himself undertook to submit a report to the Council on this question.

The Council of the League accepts the task.

On August 29th the Council of the League met in extraordinary session. It was composed as follows : Viscount Ishii (Japan), President; M. Hymans (Belgium), M. Da Cunha (Brasil), Mr. Wellington Koo (China), M. Léon Bourgeois (France), Mr. Balfour (Great Britain), the Marquis Imperiali (Italy) and M. Quiñones de León (Spain).

In his report, Viscount Ishii reminded the Council that each of the Governments represented on the Supreme Council had solemnly undertaken to accept the solution recommended by the Council of the League of Nations.

"I think", he continued, "that in these circumstances it is not only the right but also the duty of the Council of accept the role which, in the spirit of the Covenant, it has been asked to assume and in the fulfilment of which its liberty of action and authority will be fully guaranteed." He then surveyed the political and economic difficulties involved in the question. "What the authors of the Treaty of Versailles desired", he observed, "was the determination of the frontier no particular line being either prescribed or excluded in advance. The Treaty does, however, lay down the guiding principles which should govern the decision. It states that, 'in drawing the frontier line, regard will be paid to the wishes of the inhabitants as shown by the vote, and to the geographical and economic conditions of the locality'. The results of the plebiscite were not of a nature to allow the frontier-line to be drawn according to the wishes of the population, nor did the economic and geographical conditions of the localities give any decisive indications to show how a line should be determined. Indeed, the fact that the two considerations had to be taken into account only complicated the situation".

The members of the Council decided unanimously to accept the Supreme Council's invitation.

The Council adopts a Plan of Action.

At a second meeting, held on September 1st, the Council, having taken note of the documents communicated to Viscount Ishii by the Supreme Council, notably a historical survey of the work of the Peace Conference in regard to Upper Silesia, adopted a plan of action for the study of the question.

It was decided, "with a view to enabling the Council to arrive in complete independence at an opinion on the question which had been submitted to it", that the preliminary examination of the question should be entrusted to the

representatives of Belgium, Brazil, China and Spain. States which had so far taken no part in the preliminary investigations or in the discussions to which those investigations had given rise. This Committee of the Council was instructed to study the various aspects of the problem with the help of the documents forwarded by the Supreme Council and of any other means of information. It had the right to seek such information as it might think useful and to obtain such expert advice as might be necessary. The Council further recommended the Committee to choose its experts from among such persons as had taken no part in the previous investigations and discussions, and as far as possible from among such persons as had already collaborated in the work of the technical organisations of the League. It was also provided that, with a view to supplying local information, inhabitants (both German and Polish) of the territory of Upper Silesia might be heard. The services of the Secretariat were placed at the disposal of the Committee. The Council reserved the right to meet at any moment to examine the results of the investigations which were taking place.

In the course of the same meeting on September 1st the representatives of France and Great Britain made declarations concerning the spirit in which the Council undertook the study of the question.

"The Council", said Mr. Balfour, "has determined not merely to make an independant examination of the question but to do so under conditions which will remove any suspicion that it is being dealt with from the viewpoint of any one country rather than another. The Council will approach the question in that spirit of complete detachment from narrow and individual views which I hope it will always display and, will make a deliberate and determined effort to deal with the problems before it impartially and in the broadest spirit."

M. Bourgeois then said : "The Council's desire is to examine in a spirit of entire independence and impartiality the difficult problem submitted for its consideration. Public opinion will not be deceived; it will realise that our method is an entirely impartial method, like that which the most disinterested judges and courts endeavour to follow in their own proceedings."

II

THE RECOMMENDATION OF THE COUNCIL OF THE LEAGUE

The Committee of Four immediately entered upon its duties. In accordance with the Council resolution of August 29th, it considered "the various aspects of the problem" and obtained such expert advice as was necessary.

Meanwhile, the other members of the Council continued to follow the affair and to examine the results of the investigations. After six weeks work the Committee of Four was able to submit a draft recommendation to the Council.

Preparation of the Solution.

In considering the problem, the Committee of Four was obliged, under the provisions of the Treaty, to take into consideration both the wishes of the inhabitants, as shown by the plebiscite, and the geographical and economic conditions of the country.

The first difficulty was that those of the inhabitants who had voted in favour of Germany and those who had voted in favour of Poland were inextricably intermixed, both geographically and in their economic interest—in varying pro-

portions it is true, but everywhere with large minorities—throughout the richest and most populous part of the territory.

It was not possible to devise a frontier which would not leave in Polish territory a certain number of persons who had voted for Germany, and in German territory a certain number who had voted for Poland. The utmost that the Council could do was to endeavour to reduce the number of these cases to a minimum by adjusting the frontier line as closely as possible to the results of the plebiscite.

Any frontier line drawn in accordance with the foregoing conditions was bound to cut across districts which were closely interdependent from an industrial standpoint. The creation of a new frontier in such a region which had developed economically under a single political and industrial regime, might have the most disastrous results on either side of the frontier; it would certainly have had such results if it had led to the immediate establishment of a new Customs barrier, the dislocation of common services such as the supply of water or motive power, the introduction of a new currency and the application of new civil and industrial legislation.

This economic difficulty could not be evaded by a few slight modifications in a line drawn according to the results of the plebiscite. Even had several districts in which the vote showed a clear but not overwhelming predominance of one nationality been assigned in accordance with economic considerations and not with the plebiscite, the line would nevertheless have cut across the most closely interdependent economic organisations. The Council was confronted by the fact that any line which did not cut across the industrial district would involve the disappointment of the hopes and aspirations not merely of small majorities in unimportant neighbourhoods but of large majorities in districts of great

importance. Moreover, the plebiscite had not merely given voice to these hopes and aspirations; it had encouraged them. This was the intrinsic difficulty of the problem.

The Committee of Four was brought to the conclusion that it was not possible to solve the problem merely by drawing a frontier line having regard solely to the plebiscite, to economic considerations, or to a compromise between the two methods.

Whatever frontier might be drawn by any of these methods, the results, in the absence of any other special provision, would have been calamitous.

The Committee of Four therefore decided, after an exhaustive investigation, to recommend that, whatever new frontier line were adopted, there should be guarantees against any dislocation of existing economic conditions for a period sufficient to permit of the economic system being adjusted gradually to the new state of affairs.

The Committee, therefore, applied to experts for an opinion as to what general measures would be calculated to maintain continuity in the economic life of Upper Silesia and to reduce the difficulties of the period of transition to a minimum. The experts were asked to examine the needs of the territory in their economic, industrial, financial and administrative aspects. They were to consider the distribution of water and electric power, the exchange of fuel, raw materials and labour, the financial organisation of industry, vested interests in concessions, the Customs regime and social legislation. They were instructed to avoid, as far as possible, making any proposal which would involve administrative complications. They were not required to consider the fixing of the frontier line, with which they were not acquainted until after the conclusion of their work. The problem was put before them in general terms, so that their

replies might hold good whatever territorial solution might ultimately be adopted.

The experts appointed to study these problems were M. Hodacz, General Secretary of the Federation of Czechoslovak Manufacturers, Member of the Governing Body of the Labour Office, and M. Herold, Director of the Toggenburg Railways, Professor at the University Zurich, Member of the League Committee on Communications and Transit. Both were experts of admitted authority who had specialised on the subjects concerned; they were members of technical organisations of the League of Nations, and were entirely disinterested. Ample documentary information was placed at their disposal. They also questioned German and Polish technicians and representatives of German and Polish trade unions.

The political work—that of deciding upon a frontier line, which the Committee of Four had itself undertaken—and the work connected with the economic life of the territory and of the means of ensuring its continuity, which had been entrusted to the experts, were pursued on parallel lines. As it was not possible to avoid leaving fairly considerable dissident minorities on both sides of the frontier, the Committee tried as far as possible to make these minorities equivalent, while leaving to each of States concerned a total population corresponding to the number of votes cast in its favour.

The Council's Recommendation.

On Wednesday, October 12th, the Council, meeting in plenary session examined and adopted unanimously the report of the Committee of Four. On the same day, the text of the Council's recommendation, with the attached documents, was forwarded to the Supreme Council by special courier.

The text and documents forwarded comprised :

(1) The recommendation itself, with the description of the frontier line between Germany and Poland in Upper Silesia;

(2) Transitional measures of an economic nature;

(3) Clauses relating to rights of nationality and domicile and protection of minorities in Upper Silesia.

The recommendation contained the following statement of the general principles by which the Council had been guided in its efforts to reach a solution :

“The Council has endeavoured to interpret faithfully and in an equitable spirit the provisions of the Treaty of Versailles with regard to Upper Silesia. The Council, being convinced that its duty was above all to endeavour to find a solution in conformity with the wishes of the inhabitants as expressed by the plebiscite, while taking into account the geographical and economic situation of the various districts, has been led to the conclusion that it is necessary to divide the industrial region of Upper Silesia. Owing to the geographical distribution of the population and the mixture of racial elements, any division in this district must inevitably result in leaving relatively large minorities on both sides of the line and in separating important interest.

“In these circumstances, the Council considered that it would be desirable to take measures to guarantee, during a provisional period of re-adjustment, the continuity of the economic life of this region, which, owing to the density of its population the number of its industrial undertakings, and the closely woven network of its means of communication, possessed the

character of a vast agglomeration. It was also of the opinion that it would be desirable to provide for the protection of minorities."

The frontier line between Germany and Poland in Upper Silesia was described in the following way :

"The frontier line would follow the Oder from the point where that river enters Upper Silesia as far as Niebotschau; it would then run toward the north-east, leaving in Polish territory the communes of Hohenkirchen, Wilhelmsthal, Raschutz, Adamowitz, Bogunitz, Lissek, Summin, Zwonowitz, Chwallenczitz, Ochojetz Wilcza (Upper and Lower), Kriewald, Knurow, Gieraltowitz, Preiswitz Makoschau, Kunzendorf, Paulsdorf, Ruda, Orzegow, Schlesiengrube, Hoehnlinde; and leaving in German territory the communes of Ostrog, Markowitz, Babitz, Curek, Stodoll, Niederdorf, Pilchowitz, Nieborowitzer, Hammer, Nieborowitz, Schönwald, Elluth, Zabrze, Sosnica, Mathesdorf, Zaborze, Biskupitz, Bobrek, Schombert; thence it would pass between Rossberg (which falls to Germany) and Birkenhain (which falls to Poland) and would take a north-westerly direction, leaving in German territory the communes of Karf, Micchowitz, Stollarzowitz, Friedrichsville, Ptakowitz, Larischhof, Miedar, Hanusek, Neudorf-Tworog, Kottenlust, Potemba, Keltsch, Zawadski, Pluder-Petershof, Klein-Lagiewnik, Skrzidlowitz, Gwosdzian, Dzielma, Cziasnau, Sorowki, and leaving in Polish territory the communes of Scharley, Radzionkau, Trockenberg, Mikoieska, Drathhammer, Bruschiek, Wüstenhammer, Kokotte, Koschmieder, Pawonkau, Spiegelhof (Gutsbezirk), Gross-Lagiewnik, Glinitz, Kochscütz, Lissau.

"To the north of the latter place it would coincide with the former frontier of the German Empire as far as the point where the latter frontier joins the frontier already fixed between Germany and Poland."

Transitional Measures.

The measures which the Council considered necessary in order to ensure the continuity of the economic and social existence of Upper Silesia, and to reduce to a minimum the inconvenience of the period of readjustment, were chiefly designed "to preserve, for a certain time, for the industries of the territory separated from Germany, their former markets, and to ensure the supplies of raw material and manufactured products which are indispensable to these industries; to avoid the economic disturbances which would be caused by the immediate substitution of the Polish mark for the German mark as the sole legal currency in the territory assigned to Poland; to prevent the working of the railways serving Upper Silesia from being affected by the shifting of the political frontier; to regulate the supplies of water and electricity; to maintain freedom of movement for individuals across the new frontier; to guarantee respect for private property; to guarantee, as far as possible, to the workers, that they shall not lose, in the portion of territory assigned to Poland, the advantages which were secured to them by German social legislation and by their Trades Union organisation, and, finally, to ensure the protection of minorities on the basis of an equitable reciprocity". The provisional régime was to remain in force for fifteen years.

The Council proposed that the measures for the establishment of this régime should be worked out in detail in the form of an international convention between Germany and Poland.

For the preparation of these temporary measures and for the supervision of their application the Council considered that it was necessary to set up a Commission composed of an equal number of Germans and Poles from Upper Silesia and of a President of another nationality, who might be designated by the Council of the League of

Nations. This commission might be called "the Upper Silesian Mixed Commission". It would be essentially an organ of supervision. The Council considered that it would also be expedient to constitute an arbitral tribunal to settle any private disputes which might be occasioned by the application of the temporary measures.

The Council's recommendation concluded in the following terms : „The Council is convinced that this scheme, taken as whole, and after certain point have been made explicit, will safeguard the interests of the population, the sacrifices which it requires from each of the Governments being compensated for by the guarantees which it affords in favour of such of their nationals as are to be transferred to another sovereignty”.

III

THE POLISH-GERMAN CONVENTION

On October 20th, the Conference of Ambassadors, delegated by the Powers represented on the Supreme Council to receive on their behalf the recommendation of the Council of the League of Nations, decided to adopt it, together with the findings of the attached reports relating to economic question and to the treatment of minorities.

The Conference of Ambassadors also requested the Council of the League of Nations to select the person who should preside over the Germano-Polish negotiations for the purpose of drawing up the Convention proposed by the Council's recommendation, and to appoint the President of the Mixed Commission and the President of the Court of Arbitration.

The Drafting of the Convention.

The Council of the League selected M. Calonder, ex-President of the Swiss Confederation, to preside over the Germano-Polish negotiations, which opened at Geneva on November 23rd. Germany was represented by M. Schiffer, former Imperial Minister, Dr Lewald, former Secretary of State, and Count von Schulenberg, of the Ministry of Foreign Affairs. Poland was represented by M. Olszowski, Minister Plenipotentiary, M. Perlowski, Counsellor of Legation, and M. Kramsztyk, Secretary to the Ministry of Foreign Affairs.

The Conference at once proceeded to appoint twelve Sub-Committees to draw up the different parts of the Convention. Ten of these Sub-Committees met in Upper Silesia. On February 14th, the Conference again met at Geneva to examine the results achieved by the Sub-committees and to adopt the final text of the Convention. The work of the Conference was particularly arduous owing to the comprehensive nature of the questions with which it had to deal and by the difficulties not only technical but also racial and political presented by most of those questions. But the conciliatory spirit displayed during the discussions enabled agreement to be reached on almost every point without undue delay. Three principal questions retarded the conclusion of the Convention. One was the liquidation of German property and interests in the Upper Silesian area assigned to Poland; the second was the application to Polish Upper Silesia of the provisions of Article 256 of the Treaty of Versailles (transfer to Poland of goods and property belonging to the Prussian State or to the German State), and there were also certain questions connected with the protection of minorities. On no single occasion, however, was the President called upon to exercise his power to arbitrate. On May 15th, the drafting of the Convention was concluded, and the German and Polish Plenipotentiaries signed the text;

on the following day, at a public meeting, the Council of the League of Nations received the text of the Convention from M. Calonder.

This Convention, divided into six parts, contains 606 articles, with extensive annexes and a final protocol.

The first part is entitled "General Provisions", and is divided into three sections, the first dealing with the law in force in the two parts of the plebiscite territory, the second with the safeguarding of vested interest, and the third with the conditions for the expropriation of important industrial undertakings and large landed estates.

The second part deals with questions of nationality and domicile, and lays down the method of procedure in regard to the right of option granted to inhabitants of the plebiscite territory who desire to change their nationality.

The third part is devoted to questions connected with the protection of minorities and with the procedure of appeal by minorities against the decisions of the States under whose sovereignty they are situated. Article 72 lays down that "these provisions constitute obligations of international concern placed under the guarantee of the League of Nations".

The fourth part relates to social and labour questions, such as those of employers' unions, trade union and social insurance.

The fifth part deals with economic questions, and is divided into eight sections, relating respectively to Customs, traffic, currency, mines, water and electricity, posts and telegraphs, and railways.

The sixth and last part is concerned with the organisation of the Mixed Commission and the Court of Arbitration for which provision was made in the Ambassadors decision.

The Mixed Commission is an organ of conciliation, while the Court of Arbitration is a judicial body. Both are established for a period of fifteen years. For labour questions the Mixed Commission is assisted by experts and by an Advisory Labour Committee, whose Chairman is appointed by the Governing Body of the Labour Office. The Competence of the Court of Arbitration is extremely wide, not only in civil but also in administrative cases. Neither of these two liaison organisations encroaches upon the sovereignty of the two States. The Mixed Commission consists of two members from each of the two countries with a president of another nationality, while the Court of Arbitration is composed of one arbitrator from each of the two countries and a president of another nationality. Both the presidents are appointed by the Council of the League of Nations.

Provision is made in the Convention for intervention by the Council of the League of Nations in certain questions, particularly those connected with the protection of minorities. The competence of the Permanent Court of International Justice is admitted in two cases : it may decide whether new legislative provisions may be substituted for existing legislation in Polish Upper Silesia and it may settle any differences of opinion which may be occasioned by the application of the expropriation clauses.

The Council appointed M. Calonder, President of the Mixed Commission, and M. Kaeckenbeeck, a Belgian jurist, President of the Court of Arbitration. In both cases the Council's choice was in accordance with the unanimous wish of the two delegations.

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In this way a settlement was reached in a matter on which both the experts and the Allied Governments were

divided, and which unless quickly solved, threatened serious consequences.

As soon as the Council began its investigation of the question, the extreme tension which had existed before it was referred to the League of Nations subsided, and the Council's recommendation was drawn up in an atmosphere of complete calm.

The difficulty was to avoid dislocating the economic life of the plebiscite territory of Upper Silesia by dividing it in accordance with the results of the plebiscite. Thanks, however, to the measures recommended by the Council of the League, which were elaborated by an agreement between the two parties, this result was achieved. Although satisfaction has been given, as far as the intermixture of races permitted, to the desires expressed in the popular vote, the economic activity of the district has not been restricted, and the period of transition hitherto has passed smoothly and without any interruption of the economic life of the district.

ALBANIA AND THE LEAGUE

One of the results of the Balkan war of 1912-1913 was that at a Conference of the Ambassadors of the Great Powers held on London in July 1913, Albania was constituted "an autonomous sovereign Principality", and her neutrality was guaranteed by the Powers represented at the Conference. The Prince of Wied was appointed sovereign Prince of the Principality.

The Great War broke out before the Principality was fully established, the Prince of Wied left the country, and Albania was over-run by several of the belligerent armies. At the end of the war the Albanians formed a provisional government and constituted themselves an independent

state, but this state was not then recognised, nor were the frontiers laid down in the Protocols of London and of Florence in 1913 ever delimited. This was the position of Albania at the time the League was founded.

Admission to the League. — In November 1920, at the First Assembly of the League, Albania applied for membership. The Assembly Committee set up to report on such applications expressed the opinion that the admission of Albania should be adjourned until her political and territorial status had been more clearly established, but the Assembly nevertheless unanimously admitted Albania, considering the step to be in the interests of peace in general and of the peaceful progress of Albania in particular. As in the case of other States admitted to the League, Albania was requested by the Assembly to concert measures with the Council for the protection of minorities on the lines of the minorities treaties already in force in certain other States Members of the League. A declaration for the protection of minorities was subsequently negotiated between the Council and the Albanian Government, and signed by Albania on October 2, 1921.

The Frontiers of Albania. — In April 1921, the Albanian Government drew the attention of the League to the fact that Albania's frontiers which, it contended, had been fixed in 1913, were being encroached upon by Serbia and Greece and requested the League to obtain the evacuation by the two countries of the territories thus occupied.

The Conference of Ambassadors was at the time dealing with the question of Albania frontiers, which it considered not to have been definitely fixed in 1913. The Council of the League therefore decided that it would not be advisable to take up simultaneously work already being dealt with by the Ambassadors' Conference, but asked the Conference to

take a decision with the least possible delay. Meanwhile, the Council requested the three States concerned to abstain from any act calculated to aggravate the situation.

Albania before the Second Assembly. — The question of Albania's frontiers remained unsettled when the Second Assembly of the League met in September 1921. The Albanian Government again raised the subject which, with the consent of the Council, was referred to the Assembly. The Assembly, recognising that the sovereignty and independence of Albania had been established by her admission to the League, took note of the fact that the Principal Allied Powers were generally regarded as the appropriate body to settle the frontiers of Albania—and in fact were on the point of doing so—and recommended Albania to accept their decision. In view of the conflicting allegations of the three States involved, the Assembly requested the Council to appoint an impartial commission of three persons to proceed immediately to Albania to report fully on the execution of the decision of the Principal Allied Powers when delivered, and on any disturbances that might occur on or near the frontiers. The Council appointed this Commission of three—one from Luxemburg (Colonel Schaeffer), one from Norway (Major Meinich), and one from Finland (M. Thesley, replaced later by Professor Sederholm)—who were accompanied by a secretary of Swiss nationality.

Special Meeting of the Council. — The Commission arrived in Albania on November 19th, 1921, but before its arrival, the British Government, on November 7th, having learnt that Yugoslav troops had entered the Mirdite district of Northern Albania as a result of unrest in this area, and considering this event to be of a nature to disturb international peace, called the attention of the Council to the matter under Article II of the Covenant. It requested the Secretary-General to summon a special meeting of the Council to consider the situation and agree upon measures to be

taken under Article 16 of the Covenant should the need arise. In the telegram to the Secretary-General the British Prime Minister, M. Lloyd George, stated that the Conference of Ambassadors had now fixed the frontiers of Albania and that their decision would at once be notified to the interested parties.

The Council met on November 18th and heard the representatives of Great Britain, the Serb-Croat-Slovene Kingdom and Albania. It was informed that on November 9th the Conference of Ambassadors had definitely fixed the frontiers of Albania and it received a declaration from the Serb-Croat-Slovene Government that it proposed to respect this frontier and would take immediate steps to evacuate its troops from all territory thereby recognised as belonging to the Albanian State. The Council, therefore, gave instructions to its Commission of Enquiry to keep it informed of the withdrawal of both Yugoslav and Albanian troops from a provisional zone of demarcation and to assist in carrying out the evacuation. It instructed the Commission to examine and submit to the Council measures to end the existing disturbances and prevent their recurrence.

On December 10th the Commission reported that the evacuation had taken place and that the zone of demarcation separating Albania from the Serb-Croat-Slovene Kingdom was entirely free from troops of the two States. The Commission remained in Albania for some three months longer investigating various questions and making certain recommendations connected with frontier problems which were subsequently carried out by the Technical Frontier Committee appointed by the Conference of Ambassadors.

The Council Meeting in May 1922. — The Commission returned to Geneva for the meeting of the Council in May 1922. It had accomplished the principal object of its mission, for the country was pacified, its relations with

neighbouring States were improving, and, as a result of this twofold success, there was a strong desire on the part of the Albanians to begin developing the natural resources of their country. Lord Balfour, the representative of Great Britain on the Council, attributed the favourable development of the situation to the good-will of the Albanian and the Serb-Croat-Slovene Governments, and to the efforts of the Commission, and of the Council.

“No corporate body, no nation, no statesman in the world”, said Lord Balfour, “could have carried out what has been effected, except the League of Nations. If the Serb-Croat-Slovene Government and the Albanian Government have respected the decisions of the Assembly and the Council and of the Commission which the League sent out, the reason is this: that the Albanians and the Yugoslavs knew that the League itself, the Assembly and the Council, are working for no selfish purpose, and that they have given advice with the sole object of benefiting those to whom it is given.”

Meanwhile the Council had received from the Albanian Government a request that the Commission, whose work had proved so valuable to Albania, should continue for a further period. The Government also requested the League to extend its support to the economic sphere by appointing experts to proceed to Albania for the purpose of drawing up proposals regarding steps to be taken to encourage the employment of foreign capital in the development of the natural resources of the country. On the advice of the Commission, the Council asked one member of the Commission to return to Albania, and that duty was accepted by Professor Sederholm, of Finland. The Council communicated the request for economic assistance to the favourable consideration of the Financial Committee and forwarded to the same Committee the request of the Albanian Government

that a financial adviser should be nominated by the Council in accordance with a general resolution of the Council in 1921 placing itself at the disposal of Members of the League for the nomination of technical advisers should they so desire.

The Financial Committee sent Professor Calmes (Luxemburg) to Albania to make a report on the situation, and on receipt of his report it considered itself justified in recommending the appointment of a Financial Adviser whose selection was left in the hands of the Chairman of the Committee, M. Vallenberg (Sweden).

Subsequent Work of the Commission of Enquiry. — Professor Sederholm returned to Albania accompanied by Count Frederic Moltke (Denmark) and remained there for about a year studying the situation in collaboration with the Albanian Government. The Commission also visited neighbouring countries to discuss with them matters of common interest. At the Council meeting in April 1923, Professor Sederholm presented his report and final conclusions. They contained a detailed study of the school and church questions in Albania generally and in Southern Albania in particular, and recommended various measures for giving full effect to the declaration of the Albanian Government concerning the protection of minorities. Professor Sederholm also recommended certain steps towards rectifying such discontent with the existing situation as he found amongst various elements of the population. He pointed out that the Government were fully aware of the deficiencies that existed and firmly resolved to put an end to them. The report examined the economic situation and gave an outline of the developments which seemed necessary. Finally the report outlined the Albanian Government's programme as explained to Parliament by the Prime Minister. Professor Sederholm noted with satisfaction the intention of the Government to make whole-hearted use of the technical advisers which it had

asked the League to provide. "If", he said, "their expert and disinterested advice were followed, Albania should have no difficulty in developing into a peaceful and prosperous Member of the League of Nations".

The same Council meeting which considered these reports also approved, with the assent of the Albanian Government, the nomination of M. Hunger of Holland, late Resident of Batavia in the Dutch East Indies, as Financial Adviser to the Government. M. Hunger was to be consulted on all matters of economic or financial interest and to report to the League of Nations every three months. In his first report, M. Hunger noted numerous possibilities of development in the country: virgin forests, fertile waste-land, richness of the soil, etc. He also informed the Council of plans for setting up a bank of issue with the aid of foreign capital (1).

The Albanian Government has also been assisted by the League in the field of public health. Its public health officers have taken part in the study of methods for combating malaria arranged by the League Health Organisation, and the League Health Committee has been asked to assist it in drawing up plans for the eradication of malaria, which is endemic in Albania and of great importance from the point of view of economic development.

The League has thus been instrumental in giving Albania a recognised status, in hastening the settlement of her frontiers and in securing the evacuation of foreign troops, and has endeavoured to assist in the internal development of the country whose stability, in view of its geographical position, is essential for the maintenance of peace on the Adriatic and in the Balkans.

(1) M. Hunger's contract was terminated at the end of the first year, in virtue of the right to do so mutually reserved by the Financial Adviser and the Albanian Government.

INCURSIONS OF BANDS INTO THE FRONTIER DISTRICTS OF THE COUNTRIES BORDERING ON BULGARIA

In July 1922, the Council of the League considered a dispute between Bulgaria and her neighbours, Greece, Roumania and the Kingdom of the Serbs, Croats and Slovenes, at the request of the Bulgarian Government, made under Article II of the Covenant. The dispute was concerned with the incursions of armed bands into the frontier districts of the countries bordering on Bulgaria.

In its appeal to the Council, the Bulgarian Government gave an account of the steps which it had taken to put an end to the disturbance caused by the presence of these bands and expressed its regret that these measures had not proved very effective. On June 14th the Bulgarian Government had an official communication from the Roumanian representative in Sofia, speaking in the name of Bulgaria's three neighbours. According to this communication the States concerned declared that they had held Bulgaria responsible for the situation and considered that unless the matter were speedily settled serious consequences might ensue. As the situation thus created could not continue without risk of the tension becoming more acute, Bulgaria requested the Council to intervene either by sending an International Commission of Enquiry or by any other means which it might deem fit to adopt.

THE DISPUTE BEFORE THE COUNCIL

The Council, after hearing the representatives of the States concerned, took note of the fact that the representations made on June 14th to the Government of Bulgaria by the Governments of the States adjoining her territory

were not of a minatory or hostile character, and that the Bulgarian Government was engaged in negotiations with the neighbouring Governments concerning the steps to be taken for putting an end to the incursions.

In the circumstances, the Council was of opinion that any possibility of acts of violence in contravention of the Covenant of the League of Nations was for the time excluded, but requested the Governments to keep it informed of the results of the negotiations and received the formal assurance of the representatives of the Governments concerned that should these negotiations fail and result in a situation likely to endanger the peace of the Balkans, they would again refer the question to the Council.

No further reference has been made to the Council on this subject.

EASTERN CARELIA

This question, which the League of Nations was not able to solve, was the subject of repeated efforts to bring about a peaceful settlement in the spirit of the Covenant. As was stated in the communication of the Permanent Court of International Justice to the Council on July 23rd, 1923, the Council of the League had "shown its desire to explore every path that might lead to a settlement of the difference between the two nations."

The territory known as Eastern Carelia includes the Government of Olonetz and that part of the Government of Archangel which lies to the west of the White Sea. The area of Eastern Carelia is nearly 150,000 square kilometres, and it has a population of about 200,000 inhabitants. The Carelians form one of the principal branches of the Finnish race.

In November 1921 the Finnish Government drew the Council's attention to the situation created in Eastern Carelia by the non-application of the provisions of the Treaty of Peace signed at Dorpat on October 14th, 1920, between the Republic of Finland and the Russian Socialist Federal Soviet Republic.

The question came before the Council for the first time in January 1922 and again in February and April 1923; it was then referred for an advisory opinion to the Permanent Court of International Justice, which dealt with the matter during its session in June 1923. Finally, the Finnish Government brought the question before the Fourth Assembly of the League of Nations in September of the same year.

THE COUNCIL RECOMMENDS DIRECT NEGOTIATIONS

During its session in January 1922 the Council heard a statement by M. Enckell, Finnish Minister in Paris, setting forth the point of view of his Government. M. Enckell's contention was, in substance, that the Treaty of Dorpat between Finland and the Soviet Government guaranteed territorial autonomy to the population of Eastern Carelia within the Union of the Socialist Soviet Republics. It also accorded economic and moral autonomy to this territory. But in place of the promised autonomy the Soviet Government had established a regime dependent on the dictatorship of a Workers' Commune, which was in fact manipulated by the central power, and which overwhelmed the Carelians with requisitions and forced levies, thus ruining and terrorising the country. The Carelians had revolted; a portion of them had fled to Finland. The Finnish Government regarded this situation as a menace to world peace and it therefore called upon the League of Nations to intervene.

M. Pusta, representing Esthonia, and M. Groswald and M. Walters, representing Latvia, who were present at the meeting, stated that they were most anxious that peace should be maintained in the Baltic, for it was a paramount necessity for all the States bordering upon Russia. Without desiring to intervene in the Carelian question they approved the action which Finland had taken, because they regarded it as an effort in the interests of peace.

The Polish delegate, M. Askenazy, stated that his Government had already placed its good offices at the disposal of the two parties.

In these circumstances, the Council declared its willingness to examine the question, with a view to arriving at a satisfactory solution, provided that the two parties concerned agreed; and expressed the opinion that one of the States Members of the League which was interested in the question and in diplomatic relations with the Government of Moscow might ascertain that Government's views in regard to the matter.

The Council added that it would be a matter for satisfaction if one of these States were to lend its good offices as between the two parties, in order to assist in obtaining a solution.

THE COUNCIL REQUESTS THE PERMANENT COURT OF INTERNATIONAL JUSTICE TO GIVE AN ADVISORY OPINION

The steps taken in pursuance of the Council's Resolution by the Governments maintaining regular diplomatic relations with the Soviet Government produced no result, for the Soviet Government declared that the question of Eastern Carelia must be regarded as one of purely domestic concern.

The Finnish Government then expressed a desire that the Council of the League, in accordance with Article 14 of

the Covenant, should ask for the opinion of the Permanent Court of International Justice as to whether the treatment of the inhabitants of Eastern Carelia was, as the Soviet Government maintained, a purely internal question or whether it was an international question.

At its meeting on April 21st, the Council decided to request the Permanent Court of International Justice to give an advisory opinion upon the following point :

"Do Articles 10 and 11 of the Treaty of Peace between Finland and Russia signed at Dorpat on October 14th, 1920, and the annexed Declaration of the Russian Delegation, concerning the autonomy of Eastern Carelia constitute obligations of an international character which are binding upon Russia in her relations with Finland ?"

THE COURT'S CONCLUSION

The Court informed the Russian Soviet Government that the Council had asked for an advisory opinion. The Soviet Government refused to appear before the Court; but the Finnish Governments appeared and stated its case.

The majority of the Court (seven out of eleven judges) reluctantly concluded that the Court was incompetent to express an opinion. In its reply to the Council, dated July 23rd, it stated its view that no reply could be given to the question unless an enquiry were held on certain points of fact, and that it would be extremely difficult to conduct such an enquiry if Russia held aloof. Moreover, in view of the independence of sovereign States, it could not express an opinion on a dispute that had arisen between a Member of the League and a non-Member, without the consent of the latter.

RESOLUTION OF THE FOURTH ASSEMBLY

The Fourth Assembly of the League, taking note of a declaration by the Finnish Government that it maintained its right to consider the clauses of the Treaty of Dorpat and the supplementary declarations relating to the status of Eastern Carelia as agreements of an international order, requested the Council to continue to collect all useful information relating to this question with a view to seeking any satisfactory solution made possible by subsequent events.

THE FRANCO-BRITISH DISPUTE ON THE QUESTION OF NATIONALITY DECREES IN TUNIS

A dispute arose between Great Britain and France in November 1921 as to nationality decrees promulgated in Tunis and the French zone of Morocco and their application to certain categories of British subjects.

These decrees conferred French nationality upon any person born in Tunis or in the French zone of the Sherifian Empire, one of whose parents was justiciable as a foreigner by the French tribunals of the Protectorate and was born in the Protectorate.

These decrees conflicted with British nationality legislation, which claims as natural-born British subjects the children born abroad of British parents who were themselves born within his Britannic Majesty's allegiance, and also the grand-children of such parents born before January 1st, 1915.

The British Government therefore protested when the French Government, applying the decrees, treated as French

subjects and liable to military service in the French Army persons in Tunis of Maltesse origin and claimed by the British Government to be British subjects.

This matter was the subject of a long diplomatic correspondence that ended in a deadlock. The British proposal to submit the question to arbitration was not accepted, the French Government claiming that it was not a fit subject for arbitration but a matter of domestic jurisdiction.

The British Government thereupon (in September 1922) brought the question before the Council of the League. The British and French representatives on the Council, M. Léon Bourgeois and Mr. (since Lord) Balfour, agreed to ask the Council to request an advisory opinion from the Permanent Court of International Justice as to whether the matter at issue was or was not exclusively a question of domestic jurisdiction according to international law.

The French Government claimed that in issuing the decrees on November 8th, 1921, it had merely exercised its legislative powers in regard to nationality questions, and consequently the dispute that had arisen out of this question came within the exceptions provided by paragraph 8 of Article 15 of the League Covenant (1), that is, was within the exclusive competence of the French Government and did not possess an international character.

The British Government, on the other hand, without denying that the determination of nationality was one of the attributes of sovereignty, declared that the rights possessed by France in Tunis and Morocco were based on treaties which did not confer upon her this attribute of sovereignty,

(1) This paragraph reads as follows :

"If the dispute between the parties is claimed by one of them and is found by the Council to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report and shall make no recommendation as to its settlement."

and that the exercise by France of the right to legislate on questions of nationality was also contingent on treaty provisions. Consequently, the British Government held that the question could not be considered as being within the exclusive competence of France, but that, on the contrary, it raised legal questions of international scope.

On February 7th, 1923, the Court announced that, without touching upon the substance of the dispute, it was of opinion that the dispute was not a matter of purely domestic jurisdiction. The representative of the French Government before the Court then proposed to the British representative that the whole question should be referred to the Court for settlement, but after an exchange of notes between the two Ministers of Foreign Affairs a friendly agreement (1) was reached on the 24th May, 1923, of which the International Court took note in its ordinary session of June.

(1) This agreement was subsequently registered with the Secretariat of the League of Nations and published in the Treaty Series in the form of Notes exchanged between the British and French Governments. The French Government engaged to take all necessary measures whereby a British subject born in Tunis of a British subject who was himself born there would have the right to decline French nationality, such right, however, not to extend to succeeding generations. The child born in Tunis of a British subject born elsewhere than in Tunis was not claimed by the French Government as a French National, and French nationality would not be imposed on any British subject born in Tunis before November 8, 1921, without the option being given him to decline it. No attempt would be made to impose Tunisian nationality instead of French nationality on British subjects in Tunis. In agreeing to discontinue proceedings at the Hague, neither the French nor the British Government abandoned the respective points of view maintained in their diplomatic correspondence and in the preliminary proceedings at the Hague, nor, it was declared, would the principle adopted in the present agreement be applicable elsewhere than in Tunis. The application to British subjects of corresponding nationality decrees promulgated in Morocco (French zone) did not, it was stated, give rise at present to any proceedings at the Hague, the question not being at the moment of practical importance. On this question, however, both Governments reserved their rights.

EXPROPRIATION BY THE ROUMANIAN GOVERNMENT OF THE IMMOVABLE PROPERTY OF HUNGARIAN OPTANTS

In March 1922, the Hungarian Government submitted to the Council of the League of Nations a request "with regard to the expropriation by Roumania of immovable property of Hungarian optants", that is to say of persons previously domiciled in the territories transferred to the Kingdom of Roumania under the terms of the Treaty of Trianon, but who opted for Hungarian nationality.

The Opposing Theses.

The request submitted to the Council by the Hungarian Government was based on the second paragraph of Article 11 of the Covenant, under which any Member of the League has the friendly right of bringing to the attention of the Council any circumstances affecting international relations which threatens to disturb the good understanding between nations upon which peace depends.

The question was first examined by the Council at its April session and was brought up again at its July session, an attempt at direct negotiation between the parties having been made in the meantime at Brussels, under the presidency of M. Adatci, the Japanese Representative on the Council.

The Council held a public meeting (April 1923) at which the representatives of Hungary and Roumania explained the points of view of their respective Governments.

The Hungarian representative stated that the Roumanian Law on agrarian reform in Transylvania did not take count of the clause of Article 63 of the Treaty of Trianon, which lays down that persons who have opted for Hungarian nation-

nality shall be entitled to retain their immovable property on Roumanian territory. The Hungarian Government did not contest the general right of the Roumanian Government to proceed with agrarian reforms, but contended that certain features of the reform Law were incompatible with Roumania's international obligations.

The Roumanian representative, on the other hand, stated that the scheme for agrarian reform in Roumania had been prepared before the war, and that in spite of the heavy sacrifices the reform might impose on the parties concerned, its sole object had always been to effect social reform on a basis of complete equality for all the elements of the Roumanian population. Those provisions of the agrarian reform law which were applicable, in particular, to Transylvania, were framed with due regard to the actual situation and were not directed against persons of Hungarian nationality owning land in Transylvania more than against any other inhabitants of that territory. The Roumanian agrarian law in no way contravened the provisions of the Treaties, particularly Article 63 of the Treaty of Trianon, which implied that the optant should retain possession within the limits of the property laws of the sovereign State.

After hearing these statements, the Japanese representative on the Council, M. Adatci, suggested that the two parties should refer the matter for decision to the Permanent Court of International Justice, or else that the Council should request the Court to give an advisory opinion. The Roumanian representative stated that the interests of his country did not allow him to accept these suggestions, which had been agreed to by Hungary.

The Council then decided to defer consideration of the matter until its next session and requested M. Adatci to enter into negotiations with Hungary and Roumania in an attempt to secure a direct agreement between the two parties.

The Brussels Negotiations (May 1923).

These negotiations were held in Brussels and lasted three days. To the declarations made in his presence by the two parties, M. Adatci added a general recommendation urging conciliation. M. Adatci was, in fact, of opinion that the Council should not seek "an abstract legal solution, but any practical solution which would give as full a measure of satisfaction as can be obtained with a view to a peaceful settlement".

The text of M. Adatci's recommendation, together with a verbatim report of the statements made by the representatives of the two parties, received the formal approval of those representatives.

However, before the end of the conversations of Brussels the Hungarian Government signified its opinion that the negotiations had failed, and that, although the text prepared had been signed by its representative, it could not adhere to M. Adatci's recommendation.

Final Resolution of the Council (July 1923).

At its July session the Council, after approving the text prepared by M. Adatci, unanimously expressed the hope that the Governments "would do their utmost to prevent the question of Hungarian optants from becoming a disturbing influence in the relations between the two neighbouring countries". It requested the Hungarian Government "after the efforts made by both parties to avoid any misunderstanding on the question of optants" to "do its best to reassure its nationals". It requested the Roumanian Government, "faithful to the Treaty and to the principle of justice upon which it declares that its agrarian legislation is founded", to give proof of its good-will in regard to the interests of Hungarian optants.

The Roumanian Delegate, M. Titulesco, accepted the Council's resolution. The Hungarian Delegate, Count Apponyi, who abstained, said his Government was not insensible to the appeal for conciliation addressed to it by the Council, but that he could not reply without making reservations. "It was indispensable", he said, "that the Hungarian people should be persuaded that their Government had not abandoned the rights of its nationals". Count Apponyi declared that this Government reserved the right to take any future steps which the treaties and the Covenant of the League might allow in order to obtain satisfaction.

FRONTIER QUESTIONS

The Council of the League of Nations has been called upon, either in virtue of certain Treaty provisions, more particularly in the Treaty of Trianon, or as a mediating body, to deal with a number of frontier questions, chiefly between Hungary and her neighbours, Austria, Czechoslovakia and the Kingdom of the Serbs, Croats and Slovenes.

Thus its good offices were requested in the question of the frontiers between Hungary and her neighbours: Austria, the Serb-Croat-Slovene Kingdom and Czechoslovakia.

In September 1923, the Conference of Ambassadors referred to the Council the question of the frontier between Poland and Czechoslovakia in the Jaworzina district.

I

THE FRONTIERS OF HUNGARY

Under the Treaty of Trianon (June 4th, 1920), Delimitation Commissions were set up to trace the new frontiers of

Hungary. The covering letter to the Treaty of Trianon states that "should the Delimitation Commission, when they have begun their work, consider that the provisions of the Treaty involve an injustice at any point which it would be to the general interest to remove, they may submit a report on this matter to the Council of the League of Nations. In that case, the Allied and Associated Powers agree that the Council of the League of Nations, if requested to do so by one of the parties concerned, may under the same conditions offer its services to obtain by peaceful means the rectification of the original tracing in places where an alteration of the frontier is considered desirable by one of the Delimitation Commissions".

It was in virtue of this covering letter that the question of the frontiers between Hungary and the Serb-Croat-Slovene Kingdom and between Hungary and Czechoslovakia was brought before the Council of the League of Nations. The case of the Austro-Hungarian frontier, which was also dealt with by the Council, is somewhat different; here the Council's intervention was based not on the Treaty of Trianon but on the Protocol of Venice concluded between the Austrian and Hungarian Governments, thanks to the good offices of Italy.

THE AUSTRO-HUNGARIAN FRONTIER

It was provided by Article 27 of the Treaty of Trianon that the Bürgenland, a district to the south of the Danube formerly part of the territory of the Kingdom of Hungary, should be transferred to Austria, as the majority of its population was German.

When the time came to transfer this territory to the Austrian Government the Hungarian Government and the Hungarian local authorities protested on the grounds that

the Bùrgerland had been Hungarian territory throughout its history and that its population wished to remain attached to Hungary. The eastern districts and particularly the town of Oedenburg (Sopron), were the theatre of the movement in favour of Hungarian rule.

The Bùrgerland question was brought before a Conference held at Venice under the auspices of the Italian Government, through whose efforts the two parties agreed upon a Protocol. Austria declared that as far as possible she would agree to the decisions of the Delimitation Commission, but should she find herself obliged to appeal against them, she would accept decisions recommended by the Council of the League of Nations.

The Venice agreement provided for a plebiscite, which was held in the town and district of Oedenburg on September 13th, 1921. The majority declared in favour of Hungary, and the Conference of Ambassadors therefore decided that the town and district should be restored to that country. The Delimitation Commission then made a detailed study of the frontier line and proposed that three other districts should also remain Hungarian :

1. The territory surrounding the village of Pamhagen, which is the centre of a considerable system of canals and irrigation channels affecting a certain number of places in the neighbourhood;

2. A group of villages east and south of Liebing, regarded as inseparable from the town of Gùns, which remains Hungarian;

3. A narrow strip of territory 20 to 25 kilometres long to the east of the Hungarian town of Szombathely (Steinamanger), inhabited by a mixed Hungarian, German and Croat population, but having as its economic centre the town of Szombathely.

The Austrian Government in objecting to the modifications proposed in favour of Hungary, declared that it would keep its undertaking to accept any recommendations made by the Council of the League, provided that such recommendations were adopted unanimously, as laid down in Article 5 of the Covenant. Hungary had already addressed an application to that effect to the Secretary-General of the League.

The question came before the Council of the League in July 1922. In public session on July 19th the Council heard the statements of the Austrian and Hungarian representatives, although Hungary was not at that time a Member of the League.

The Austrian Representative asked the Council to uphold the frontier line laid down in the Peace Treaty, which had given the Bürgenland to Austria as compensation for her economic losses in other directions; the loss of Oedenburg town and district had already greatly reduced the value of this compensation.

The Hungarian Representative stated that the Commission's proposals had been accepted by all its members with the exception of the Austrian delegate, and pointed out that the Commission's proposals affected only a small portion of the Bürgenland.

On the Council's suggestion the representatives of Austria and Hungary thereupon held a Conference at Geneva in August, with M. Hymans, the representative of Belgium on the Council, as Chairman.

At its meeting on September 19th the Council announced its decision based on the results of this conference and modifying the proposals of the Frontier Delimitation Commission on certain points. Pamhagen, Hammer, Leka, the communes situated on the valley road south of Pornóapati, the commune of Csem and the villages of Felso-Also-Boled and Szentpeterfa were left in the hands of Austria. In regard

to Pamhagen the Council decided that the Frontier Delimitation Commission should be instructed to draw up a Protocol which would, *ipso facto* be binding on both States, in order to avoid prejudicing the hydro-technical interests of the districts. The duty of supervising the execution of the Protocol would fall upon the Permanent Technical Hydraulic System Commission.

The Council's decision, on the other hand, restored to Hungary the village of Liebing, the communal woods belonging to the town of Köszeg, the village of Rattersdorf, and the portion of the Pinka Valley situated to the north of Porneapati, together with Porneapati itself.

The Council recommended the Austrian and Hungarian Governments, with the assistance of the Frontier Delimitation Commission, to take permanent or temporary measures to avoid the difficulties which the new frontier line might possibly cause in the economic relations or the means of communication between districts bordering on the frontier.

The Council's decision was accepted by both parties and duly carried out.

*The Frontier between Hungary
and the Serb-Croat-Slovene Kingdom.*

The Commission for the Delimitation of the Frontiers between Hungary and the Serb-Croat-Slovene Kingdom proposed to cede to Hungary, for geographic and economic reasons, a strip of territory in the Mur district with about 18,000 inhabitants, the majority of whom were considered to be Hungarian. In virtue of the covering letter to the Treaty of Trianon, Hungary requested the Council to use its good offices to obtain a final settlement as to the tracing of the frontier, on the basis of the proposals made by the Commission for the Delimitation of the Frontiers between these two countries.

This question came before the Council on July 19th. The Hungarian Representative laid stress on the fact that the Delimitation Commission's decision had been unanimous (the four allied Representatives and the Hungarian Delegate) except for the Representative of the Serb-Croat-Slovene State.

The Representative of the Serb-Croat-Slovene State pointed out in his statement that the Delimitation Commission had reached this decision at the beginning of its work, although according to its instructions it should have made no recommendation until it had completed its investigation of the entire frontier line between the two States. The frontier was 360 kilometres long, and the decision had been taken after only 60 kilometres of the line had been examined. The Commission had subsequently extended its work to the remaining three hundred kilometres.—The Serb-Croat-Slovene Government had then made proposals to the Commission with a view to the modification of the line by mutual concessions, but the Hungarian Representative had refused to accept these proposals, considering them insufficient.

As neither side would accept compulsory arbitration of the issue, the Council tried to reach a settlement by friendly mediation. But in spite of the efforts of M. Hymans, at a conference with representatives of the two parties, it was impossible to secure a compromise between them.

In these circumstances, the Council decided to inform the Conference of Ambassadors that it had been unable to persuade the parties to contemplate a friendly settlement.

The Conference of Ambassadors subsequently informed the Council that in view of this situation the delimitation of the frontier would be carried out in conformity with the Treaty of Trianon, and consequently without any of the modifications suggested by the Delimitation Commission.

THE FRONTIER BETWEEN HUNGARY AND CZECHOSLOVAKIA

During January 1923 the Conference of Ambassadors forwarded to the Council of the League of Nations the reports drawn up by the Commission for the Delimitation of the frontiers between Hungary and Czechoslovakia. These reports concerned the small district known as Salgo-Tarjan, but really situated to the north of this important mining centre, which had remained Hungarian.

The reports made it clear that the Delimitation Commission was equally divided. One party advocated the maintenance of the frontier fixed by the Treaty of Trianon, while the other thought that an appeal should be made to the good offices of the League of Nations in order to obtain a friendly rectification in the Salgo-Tarjan district. The latter solution was adopted by the President's casting vote.

At its meeting held on January 31st the Council heard the representatives of the parties concerned. The Hungarian Representative said that if the frontier line passed through the points specified in the Treaty, an injustice would result both to Hungary and to the communes which would be cut off from Hungary by the frontier, and that it was to the general interest that any such injustice should be removed, as provided in the covering letter of May 6th, 1920. He insisted particularly on Hungary's need, in view of the fact that she had been deprived of a great part of her mineral resources, of the coal beds and basalt and trachyte quarries situated in the contested area.

The Czechoslovak representative, on the other hand, urged that the Treaty definitely provided for the assignment of the mines in the district to Hungary and of the station of Somosujfalu to Czechoslovakia, and that Czechoslovakia had faithfully observed the Treaty by expressing

its readiness to allow Hungary to retain not only the mines which were actually being worked but also the unworked mining area north of those mines. He considered that Hungary, on her side, should give way to the formal provisions of the Treaty and accept the allocation to Czechoslovakia of the station of Somosujfalu, which was mentioned by name in the Treaty.

The representatives of both countries expressed their willingness to accept the good offices of the Council in the form of compulsory arbitration.

In accordance with precedent, the Council asked one of its members, M. Da Gama, the Brazilian Representative, to keep in touch with the experts of both parties, and to submit a report at the next session.

The Hungarian and Czechoslovak experts, with two members of the Frontier Delimitation Commission, and M. Da Gama as President, met at Geneva and subsequently at Paris. The Council also consulted the appropriate Committee on questions of a military nature, which might arise out of the topography of the district and the existence of the railway line running through it from north to south.

Finally, at its meeting on April 23rd the Council announced its award, which gave due weight to the purely local interests of the inhabitants as well as to the national interests of the two parties.

The frontier line delimited by the Council left in Hungarian territory both the mining concessions and two villages inhabited by Magyars, and assigned to Czechoslovakia certain hills which were allocated to that country by the Peace Treaty, apparently in order to ensure the defence of its territory. The Czechoslovak Government was to have the right to use the railway station of Somosujfalu as a frontier and customs station, and the Hungarian Government was to give it all facilities for that purpose.

The Czechoslovak Government, on its side, undertook to take all measures to facilitate the working of the basalt quarry situated to the north of the village of Somoskő and the transit of the products of that quarry on their way to Somosujfalu station.

In accordance with their undertaking, both parties accepted the Council's decision.

Frontier between Poland and Czechoslovakia.

In a letter dated August 18th, 1923, the President of the Conference of Ambassadors requested the Council of the League of Nations to be good enough to recommend a solution with regard to the delimitation of the frontier line between Poland and Czechoslovakia in the Jaworzina district.

This frontier delimitation question, known as the "Jaworzina question", arose in the following circumstances: the Principal Allied and Associated Powers decided to constitute certain plebiscite zones, in the frontier district between Poland and Czechoslovakia. The preparations for the plebiscite, however, caused a state of excitement that was considered dangerous, and the Polish and Czechoslovak delegates therefore agreed to ask the Supreme Council to take a final decision as to the tracing of the frontier.

The Conference of Ambassadors laid down a line on July 28th, 1920, that was accepted by both parties as a whole, and of which the different sections were then traced successively by the Boundary Commission with the consent of the interested parties. As, however, a difference of view became apparent over the small district of Jaworzina, the Polish and Czechoslovak Governments asked the Powers to give them an opportunity to arrive at a friendly agreement on the subject. In spite, however, of several extensions of the period allowed for reaching agreement, no agreement was reached.

On December 2nd, 1921, the Conference of Ambassadors gave notice to the two Governments concerned that if they could not come to an agreement before January 15th, 1922, at the latest, the Boundary Commission would be instructed to proceed immediately to trace the line of July 28th, 1920. On September 26th, 1922, the Boundary Commission presented proposals which appreciably modified the line laid down in the decision of the Conference of Ambassadors of July 28th, 1920, since it attributed the village of Jaworzina to Poland and two communes further north to Czechoslovakia. The Czechoslovak Government contested the validity of any decision based on these proposals, urging that the Conference of Ambassadors must be held, in absence of any agreement between the interested parties, to be bound by its decision of July 28th, 1920, and its declaration of December 2nd, 1921. The jurists composing the Drafting Committee of the Conference of Ambassadors held the contrary view, being of opinion that the decision of July 28th, 1920, had left undetermined part of the frontier line in the Jaworzina district.

Consequently, the Conference of Ambassadors, in asking for the opinion of the Council of the League of Nations, expressly stated that it would consider opportune a decision by the Council to consult the Permanent Court of International Justice on the legal point involved.

The question of Jaworzina aroused public opinion in both Poland and Czechoslovakia and assumed a political importance disproportionate to the extent and material value of the contested territory.

The Council considered the matter at its session of August-September 1923. In agreement with the representatives of Poland and Czechoslovakia it decided to ask for the advisory opinion of the Court. The question submitted by the Council to the Court was as follows: "Is the question of the delimitation of the frontier between Poland and Czechoslovakia still open, and, if so, to what extent; or should

it be considered as already settled by a definitive decision (subject to the customary procedure of marking boundaries locally with any modifications of detail which that procedure any entail)?”

The Court, which met in extraordinary session to consider the matter, replied that after taking the views of both parties to the dispute it considered that the question of the delimitation of the frontier between Poland and Czechoslovakia had been settled by the decision of the Conference of Ambassadors of July 28th, 1920, and that this decision should be considered as final. It added that the decision should be applied completely and that, consequently, the fraction of the frontier in the Spiez region, topographically described in this decision should remain subject (apart from the minor changes that might be involved in the customary procedure of marking boundaries locally) to the changes provided for by Article 2, paragraph 3, of the decision of the Conference of Ambassadors. This Article stipulates that the Conference of Ambassadors reserves the right to introduce in the general line laid down any changes that might be proposed by the Boundary Commission and would appear justified by the interest of individuals or communities along the frontier taking account of special local circumstances.

The Council thus possessed the legal basis for the recommendation which the Conference of Ambassadors had asked it to make, and the representatives of the interested parties accepted the opinion of the Court.

It now remained to determine whether the changes proposed by the Boundary Commission on September 25th, 1922, were in conformity with the condition laid down in Article 2 of the decision of the Conference of Ambassadors of July 28th, 1920. The Council declared that, in its opinion, the proposals of the Commission might be based on consideration of the interest of individuals or communes along the frontier but that according to the advisory opinion of

the Court, they went beyond the powers of the Commission. The Council therefore asked the Governments represented on the Conference of Ambassadors to request the Boundary Commission to submit new proposals in conformity with the opinion of the Court and the proceedings of the Council.

Finally the Council, in its session of March 13th, 1924, traced the frontier on the basis of new proposals submitted by the Boundary Commission. The line laid down in the decision of the Conference of Ambassadors of July 28th, 1920, was slightly modified in two respects in the interest of certain Polish communes. The village of Jaworzina remained in the possession of Czechoslovakia. In order to safeguard economic interests and transit facilities for communes on both sides of the frontier, the Council recommended to the Governments concerned, as it had done on other occasions (notably in the case of the frontier between Austria and Hungary), to take into consideration the mutual interests of the frontier populations by drawing up special protocols which should constitute an integral part of the decision definitely fixing the frontier in the region of Jaworzina.

The Polish Government and the Czechoslovak Government accepted the decision of the Council.

Thus the League of Nations has been of considerable help in the final settlement of territorial questions left pending after the general carrying out of the Peace Treaties in Central Europe. Of all the frontier questions submitted to it there is only one that the League was not able to settle in a satisfactory manner, and that was the question of the frontier between Hungary and the Kingdom of the Serbs, Croats and Slovenes. In this case as distinguished from the others (the frontiers between Hungary and Austria, between Hungary and Czechoslovakia, between Poland and Czechoslovakia) the Council had no arbitral powers and was dependent on

the consent of both parties, which it proved impossible to obtain.

The typical features of the procedure followed by the Council in the settlement of these questions have been as follows: Hearing the case of both parties who, in virtue of Article 4, paragraph 5, of the Covenant, have the right, if they are not members of the Council, to be represented on the Council when it is considering questions that particularly interest them; the conferences of experts, to which sometimes are added representatives of the Boundary Commissions under the chairmanship of a representative of the Council; consultation of the competent League authorities, such as the Permanent Advisory Commission on Military, Naval and Air Questions for technical points, and the Permanent Court of International Justice for points of law.

It is true that these frontier questions were no doubt in themselves of secondary importance and that none of them affected very considerably national or even local interests. But each question had been the subject of warm discussion and some of them excited public opinion in the countries concerned to such a point as to create a state of tension and seriously affect the domestic and foreign policies of the interested Governments. By calming these feelings and putting an end to these controversies, the Council's intervention will certainly have contributed to the removal of some causes of conflict.

THE DISPUTE BETWEEN ITALY AND GREECE

ORIGIN OF THE DISPUTE.

The task of fixing the frontiers of Albania with her neighbour States was entrusted by the Conference of Ambassadors to an Inter-Allied Delimitation Commission. A delegation of this Commission composed of Italian officers had been instructed more particularly to fix the line of the frontier between Albania and Greece. It was in order to carry out this duty that General Tellini, Major Corti and Lieut. Bonaccini, on August 27th, 1923, were traversing in a motor-car a section of the Greek frontier in the neighbourhood of the Albanian frontier when they fell into an ambushade and were assassinated, together with their chauffeur—also an Italian—and their interpreter, who was an Albanian subject.

Two days later, on August 29th, the Italian Minister at Athens forwarded to the Greek Government a note containing the following demands :

“(1) An unreserved official apology to be offered to the Italian Government at the Royal Legation at Athens through the supreme Military Authority of Greece.

“(2) A solemn memorial service for the victims of the assassination to be held in the Catholic Cathedral at Athens, and all the members of the Government to be present.

“(3) Honours to be paid to the Italian flag by the Greek fleet in the port of the Piræus, represented by a naval squadron which will visit the Piræus for this special purpose : these honours to consist of a salute of 21 guns fired by the Greek warships, which will hoist the Italian flag while firing the salutes.

“(4) A drastic enquiry to be carried out by the Greek authorities at the place of the assassination in the presence of the Royal Italian Military Attaché, Colonel Perrone, for whose safety the Greek Government will be responsible; the enquiry to be carried out within five days of the acceptance of these demands.

“(5) Capital punishment for all the authors of the crime.

“(6) An indemnity of 50 millions Italian lire to be paid within five days of the presentation of this note.

“(7) Military honours to be paid to the bodies of the victims at the moment when they are placed on board an Italian vessel at Preveza”.

The Italian Government requested the Greek Government to reply without delay.

The Greek Government replied on August 30th protesting against these demands, which attributed to it responsibility for the grave offence of which Italy complained. It declared that it was unable to accept the demands contained in paragraphs (4), (5) and (6) of the Italian note, as constituting an infringement of the sovereignty and honour of Greece.

Nevertheless, in view of the fact that a disgraceful crime had been committed on Greek territory against nationals of another Power entrusted with an international mission, the Greek Government offered the following satisfaction:

“(1) It will express its unreserved regret to the Italian Government, in full official form, for which purpose the Officer Commanding the Military District of Athens will call upon the Italian Minister.

"(2) It will hold a memorial service for the victims in the Catholic Church at Athens, and all the members of the Government will attend.

"(3) On the same day, honours will be paid to the Italian Government in the following form: A detachment from the garrison of Athens will parade before the Italian Legation and will salute the Italian flag with the usual honours.

"(4) All honours will be paid in the same solemn manner to the victims at Preveza when their bodies are placed on board the Italian vessel.

"The Greek Government further declares its willingness to grant fair and equitable compensation to the families of the victims, and will be glad to accept the assistance of Colonel Perrone, who may be able to contribute to the judicial enquiry, by furnishing information which will assist in tracking the authors of the crime.

"The Greek Government ventures to hope that the Italian Government will recognise the reasonableness of the attitude here expressed, the conciliatory spirit of the Greek Government and its great anxiety to give the Italian Government the fullest satisfaction."

These assurances were not deemed sufficient by the Italian Government which gave orders, on August 31st, 1923, for the occupation of the Island of Corfu, declaring, however, that this measure was of a merely temporary character and that it only constituted a pledge for the fulfilment of the reparation which Greece was expected to make.

The Conference of Ambassadors on the same day, basing its action on the fact that the victims of the crime were agents who held their mandate from the Conference, addressed a note to the Greek Government asking for an immediate

investigation and reserving to itself the right to fix indemnities.

The Council of the League of Nations was acquainted with the dispute on the following day by a letter from the representative of Greece, in which after having referred to the notes exchanged between the two Governments, and having insisted on the conciliatory character of the attitude of Greece, he asked that the question be submitted to the Council as a matter of urgency under Articles 12 and 15 of the Covenant of the League of Nations.

The Greek Government, as early as September 3rd, replied to the note of the Conference of Ambassadors, stating that it was ready to institute an enquiry, accepting in advance any decision of the Conference in respect of the reparations which were due.

THE DIPLOMATIC SOLUTION

The Council, at its meeting of September 1st, heard the statement of the representative of Greece in support of the demand for intervention by the Council presented by his Government.

The object of this appeal under Articles 12 and 15 of the Covenant was to obtain a settlement of the dispute, and Greece declared herself ready to accept any suitable arrangement. The Greek Government, however, considered that it was necessary, first of all, to restore the situation which previously existed and to cease to resort to the procedure of coercion which had been originally initiated against her. On her side she was prepared to accept and execute in good faith any proposals made to her by the Council in order to give Italy full satisfaction.

The representative of the Italy replied by two proposals. The first was to examine how far the Council of the League

of Nations might deal with a question which was at that time before the Conference of Ambassadors and which was of particular interest to the Conference as being the authority from which the Delimitation Commission on the Greco-Albanian frontier derived its powers. The second was to adjourn the continuation of the discussion to the next meeting of the Council in order that he might receive from his Government the instructions necessary to enable him to reply to the appeal made by the Greek Government.

The representatives of the British Empire and of Sweden declared themselves in favour of the competence of the Council to deal with a dispute of this kind. Although the dispute had been placed before the Conference of Ambassadors, the matter had been duly brought before the Council by one of its Members under Articles 12 and 15 of the Covenant.

The Council concluded this first part of the discussion, after having heard the replies of the representatives of Italy and Greece, by adopting the following resolution proposed by the British representative: "The Council, in assenting to a short adjournment of the further consideration of the question, expresses the confident hope that, in the meantime, the two States concerned will commit no act which might aggravate the situation."

Though the discussion remained adjourned, the Council, at its meeting of September 4th, received from the representatives of Greece, on behalf of his Government, the following suggestions for the settlement of the dispute :

"(1) That the Council should appoint one or more neutral representatives :

"(a) To superintend in Greece the judicial enquiry already begun by the Greek authorities and also the trial of those responsible for the murder of the Italian officers;

“(b) To assist in the work of the Commission the appointment of which has been proposed by the Greek Government to the Conference of Ambassadors, in order to carry out, both in Albania and in Greece, an enquiry to establish the circumstances which preceded and accompanied the crime.

“(2) That the Council should instruct a commission composed of three high judicial authorities—a Greek an Italian and a neutral (for example, the President of the Swiss Federal Tribunal or the President of the Permanent Court of International Justice)—to meet as soon as possible at Geneva to settle the amount of the indemnities which, it is just that Greece should pay to the families of the victims.

“(3) That the Council should agree that the Greek Government should forthwith deposit at a bank in Switzerland 50 million Italian lire as guarantee of the immediate payment of whatever indemnities may be decided upon.”

The discussion was resumed on the following day, September 5th. The representative of Italy stated that he was now in a position to explain the point of view of his Government. It was to be observed that, as the crime of which the members of the Delimitation Commission had been victims was an offence to the dignity and honour of the Italian nation, the Italian Government, in order to ensure reparation of the moral and material injury which it had incurred, had been obliged to take securities to serve as a guarantee. As regards the aspect of the question from an international point of view, on the other hand, there was no doubt that the crime was an offence against the Conference of Ambassadors in the person of its executive agents. The Conference of Ambassadors had full competence in all that related to the execution of the Treaties and had therefore the right of securing reparation for an act which constituted a violation

of its orders and an opposition to the execution of its mandate. The fact could not be isolated from the cause, and the Italian ultimatum and the occupation of Corfu must not be considered apart from the crime which had been committed. The question of the reparation due as a result of the crime had been submitted, with the consent of Greece, to the judgment of the Conference of Ambassadors. Until the Conference of Ambassadors, whose decision even Greece had accepted in advance, had announced its decision on the fundamental question, any discussion or any step taken by the League of Nations would be out of place owing to its clear incompetence.

The Representative of Italy further stated that strong objections might be raised even to the grounds on which the appeal of the Greek Government to the League of Nations was based. Articles 12 and 15 of the Covenant assumed that there was danger of war. There was, however, no danger of war. Italy had solemnly declared that the measures which she had taken had no hostile character and that there was not even a suspension of diplomatic relations. "The creation of the League of Nations did not constitute a renunciation by States of all right to act for the defence and safety of their rights and of their dignity... The authority of the organs of public international law—the authority even of the League of Nations, which the Italian Government had no intention to ignore—must be maintained and respected; but the first condition was that the organ itself should recognise and observe the limits of its authority."

The representative of Italy, after having repeated his statement to the effect that the peace of the world was not threatened by the act of guarantee accomplished by Italy, concluded as follows: "It was for these reasons, briefly stated and, if necessary, to be developed from the point of view of fact and of right, that the Italian Government irrevocably expressed the opinion that the Council of the League of

Nations should not proceed to take action on the request of Greece."

The Greek representative, in his reply, emphasised the arguments of fact and of law which appeared to him calculated to justify the appeal which had been addressed by his Government to the Council of the League. Greece had not sought to escape her responsibility by applying to the League. She had not endeavoured to evade the procedure which had been introduced by the Conference of Ambassadors, which considered itself a body injured by the crime. Greece owed the Conference of Ambassadors explanations and assurances which she had furnished. She had proposed to the Conference that an enquiry should be conducted by the official agents of the Conference and had undertaken to accept the conclusions of this enquiry. "But as the Conference of Ambassadors was not the only party to the case, and since Italy, in view of the attitude she had adopted, had separated herself from the Conference of Ambassadors, a separate conflict had arisen, which Greece had already submitted to the consideration of the League of Nations." For this reason, Greece had proposed to the Council that other representatives appointed by itself should be associated with those to be appointed by the Conference of Ambassadors.

The representative of Greece dealt next with the Italian point of view in regard to the character of the occupation of Corfu. In his opinion, the seizure of pledges of this character could not be justified in view of the guarantees offered by international organisations such as the Conference of Ambassadors and the League of Nations. "The Italian note had stated that the League of Nations was not competent to examine this question and that no Government would accept a solution by the League. The articles of the Covenant, however, which were read when the Council first discussed this matter, were so clear as to render any arguments superfluous... It was not necessary, as the Italian note stated,

that the two parties should agree to demand the intervention of the League of Nations. In the present case, Greece had exercised a right and had even fulfilled an obligation, for Articles 12 and 15 not only established the right to submit a dispute to the League of Nations but created an obligation for the Members of the League to appeal to it and not to commit acts of violence calculated to disturb international peace."

The representative of Greece concluded that it was "for the Council itself to consider whether its action was ruled out by the fact that one of the interested parties stated that it did not recognise its competence."

The discussion was resumed the following day, September 6th, beginning with the reading of a telegram received from the Conference of Ambassadors, which was in the following terms :

"At its meeting this morning the Conference of Ambassadors adopted the following resolution, which it decided to communicate immediately to the Council of the League of Nations :

"The Conference of Ambassadors has considered the reply from Greece to its note regarding the murder of the Chairman of the Inter-Allied Greco-Albanian Delimitation Commission and of the other members of the Italian Military Mission in the Janina district. It has noted, in particular, that, Greece declares her willingness, if her responsibility is proved, to agree to make any reparation which the Conference may regard as just and that the Greek Government suggest the appointment of a commission of enquiry, consisting of the delegates of the three Powers represented on the Delimitation Commission, to assist actively in the work of discovering the guilty parties. The Conference of Ambassadors, recognising that it is a principle of international law that States are responsible for political crimes and outrage

committed within their territory, at once considered how the enquiry should be conducted. The next meeting of the Conference will be held not later than Friday morning next."

The representative of Spain, on behalf of several of his colleagues, submitted a text to serve as a basis of discussion whith a view to the drafting of a reply to be addressed by the Council to the communication received from the Conference of Ambassadors :

"A. The Council takes note of the communication made to it yesterday by the Conference of Ambassadors and, recognising the principle of international law according to which States are responsible for the political crimes and outrages committed within their territory, declares its intention of investigating, in conjunction with the Conference, the manner in which the enquiry should be carried out.

"It would be glad to receive information as to the deliberations of the Conference of Ambassadors on Friday next.

" B. The Council further desires to submit to the Conference for consideration the following suggestions as to the possible means of giving satisfaction to the demands of the Conference for reparations from Greece in consequence of the attack made at Janina, on Greek territory, against the Chairman and Italian members of its Commission :

"(1) The presentation of apologies by the highest Greek authorities to the Ministers of the three Powers represented on the Delimitation Commission.

"(2) The celebration of a funeral service at Athens in honour of the victims, in the presence of all the members of Greek Government.

"(3) The giving of a salute by the Greek fleet in accordance with conditions to be determined later.

"(4) The rendering of military honours when the bodies of the victims are embarked at Preveza.

"(5) The appointment by the Greek Government of a commission of enquiry to investigate on the spot the circumstances preceding and accompanying the crime; the supplementing of this commission by representatives of the three Powers concerned as mentioned in the telegram in question.

"(6) The appointment of representatives of the League of Nations to supervise in Greece the judicial enquiry already ordered by the Greek authorities and the trial of the guilty parties.

"(7) The immediate deposit by Greece in a Swiss bank of a sum of 50 million lire as security for the immediate payment of any indemnity may be fixed.

"(8) The submission to the Permanent Court of International Justice for decision, under the rules of summary procedure, of the question of the indemnity to be paid by Greece."

During the discussion which followed, the representative of Italy declared that he was not opposed to the despatch to the Conference of Ambassadors of the first part of the draft reply, but that he could not accept a text in which the Council appeared to affirm its competence to intervene even indirectly with a view to the settlement of the dispute.

The Council accordingly decided to send to the Conference of Ambassadors the first part (A) of the text proposed by the Spanish representative and to forward to the Conference on the same evening the Minutes of the meeting.

Several members of the Council, at this same meeting, made declarations concerning the interpretation given by the representative of Italy on the preceding day of certain articles

of the Covenant to which the Greek Government had referred in support of its appeal. The representatives of the British Empire, Belgium, Sweden and Uruguay stated that, in their opinion, the competence of the Council in the matter appeared to be indisputable.

When the Council resumed its discussion four days later (September 10th), its members had received communication of a telegram addressed to it on September 7th, 1923, by the Conference of Ambassadors :

“I have the honour to request you to be good enough to place before the Council of the League of Nations the following communication from the Conference of Ambassadors :

“The Conference of Ambassadors

“Has received the communication from the Council of the League of Nations dated September 6th, 1923;

“It notes that the Council has expressed a desire to receive early information upon the discussions of the Conference;

“It acknowledges the high sense of justice and the anxiety to maintain good relations between the nations which have dictated this communication;

“It is actuated by the same sentiments of justice and the same desire for peace as the Council of the League of Nations;

“It has considered the verbatim record of the meeting held by the Council of the League of Nations on September 6th, and examined with greatest care the opinions advanced by various members of the Council at that meeting;

“It thanks the Council for having supplied it with valuable material which has assisted it in forming a judgment, and has the honour to communicate to the Council the following note, which it is sending to-day to the Greek Government.

“The Conference of Ambassadors

“Has considered the notes which the Greek Government has sent it in reply to the note from the Conference regarding the murder of the Chairman of the Albano-Greek Delimitation Commission and of the other members of the Italian delegation on that Commission.

“It notes more especially that Greece declares her willingness, if her responsibility is proved, to agree to make any reparation which the Conference may regard as just, and that the Greek Government suggest the appointment of a commission of enquiry to hasten the detection of the guilty parties;

“It observes that the crime of August 27th was committed on Greek territory and was clearly a political crime; that the victims of the crime were entrusted with an official mission by the Conference of Ambassadors in agreement with the Greek Government, whose duty it was to ensure their safety; also that they all were members of the Italian delegation to the Commission;

“It considers a crime of this nature, committed in the circumstances referred to, directly affects the responsibility of the State on whose territory it took place.

“The Conference therefore decides to require from the Greek Government the reparations and penalties specified below :

“(1) Apologies shall be presented by the highest Greek military authority to the diplomatic representatives at Athens of the three Allied Powers whose delegates are members of the Delimitation Commission;

“(2) A funeral service in honour of the victims shall be celebrated in the Catholic Cathedral at Athens in the presence of all members of the Greek Government;

“(3) Vessels belonging to the fleets of the three Allied Powers, the Italian naval division leading will arrive in the roadstead of Phalerum after 8 o'clock in the morning on the day of the funeral service;

"After the vessels of the three Powers have anchored in the roadstead of Phalerum, the Greek fleet will salute the Italian, British and French flags with a salute of 21 guns for each flag;

"The salute will be returned gun by gun by the Allied vessels immediately after funeral service, during which the flags of the Greek fleet and of the vessels of the three Allied Powers will be flown at half-masts;

"(4) Military honours will be rendered by a Greek unit carrying its colours, when the bodies of the victims are embarked at Preveza;

"(5) The Greek Government will give an undertaking to ensure the discovery and exemplary punishment of the guilty parties at the earliest possible moment;

"(6) A special commission, consisting of delegates of France, Great Britain, Italy and Japan, and presided over by the Japanese delegate, will supervise the preliminary investigation and enquiry undertaken by the Greek Government; this work must be carried out not later than September 27th, 1923.

"The Commission appointed by the Conference of Ambassadors will have full powers to take part in the execution of these measures and to require the Greek authorities to take all requisite steps for the preliminary investigation, examination of the accused and enquiry. It will submit its report and conclusions to the Conference of Ambassadors;

"The Greek Government will guarantee the safety of the Commission in Greek territory. It will afford it all facilities in carrying out its work and defray all the expenditure thereby incurred.

"The Conference of Ambassadors is forthwith inviting the Albanian Government to take all necessary measures to ensure that the Commission, duly accredited for this purpose, will be able, should it consider such action necessary, to proceed to Albanian territory and, in agree-

ment with the Albanian authorities, there conduct any investigations as are likely to assist in the discovery and punishment of the guilty persons.

“(7) The Greek Government will undertake to pay to the Italian Government, in respect of the murder of its delegates, an indemnity, of which the total amount will be determined by the Permanent Court of International Justice at The Hague, acting by summary procedure. The Court will give judgment on consideration of the report of the Commission specified in paragraph 6. This report will be transmitted by the Conference of Ambassadors, with its comments, to the Court of Justice.

“The Greek Government will deposit forthwith, as security, at the Swiss National Bank, a sum of 50,000,000 Italian lire, such deposit to be accompanied by the following instruction : ‘to be paid over, in whole or in part to the Italian Government, upon the decision of the Permanent Court of International Justice at The Hague.’

“The Conference having taken note of the fact that the Italian Government confirms that the occupation of Corfu and the adjacent islands has no other purpose than that of obtaining fulfilment of the demands which the Italian Government has submitted to the Greek Government, and that these demands are covered by the above conditions laid down by the Conference, invites the Greek Government forthwith to inform, severally and simultaneously, all the diplomatic representatives of the three aforesaid Powers at Athens that it accepts these conditions in their entirety.”

The President of Council had acknowledged this communication in the following terms :

“The Council of the League of Nations has the honour to acknowledge the receipt of the courteous communication from the Conference of Ambassadors dated September 7th. The Council shares the anxiety of the Conference to see the Greco-Italian dispute settled as soon as possible. The Council is happy to

note that the documents forwarded by it have been of use to the Conference. The Council of the League of Nations thanks the Conference for having kept it informed of its discussions on this matter and hopes that it will be kept *au courant* with the results of the decision which has been taken and also with any discussions which may still take place on the subject."

The representative of Greece announced that his Government had accepted in their entirety the demands formulated in the note of the Conference of Ambassadors, insisting, however, on the evacuation of Corfu. Moreover, steps had already been taken by the Greek Government to deposit 50 million lire in a Swiss bank to be transferred in whole or in part to the Italian Government upon a decision of the Permanent Court of International Justice.

Following upon this declaration by the representative of Greece, the representative of Italy expressed his hopes for a prompt and satisfactory solution of the dispute.

On September 17th, the President of the Council informed his colleagues of a communication received from the Conference of Ambassadors announcing the settlement of the dispute between Italy and Greece. He submitted a draft reply from the Council to the Conference, which was adopted and forwarded on the same day :

"The Council of the League of Nations has taken note of the communication from the Conference of Ambassadors announcing the settlement of the dispute which arose between Italy and Greece owing to the assassination, near Janina, of General Tellini and the other members of the Italian delegation of the Greco-Albanian Frontier Commission.

"As this dispute, which was submitted to the Council by the Greek Government, gave rise to diplomatic negotiations conducted by the Conference of Ambas-

sadors, the Council considered that it was its duty to establish relations with the Conference in order to assist in the work of pacification.

"The Conference of Ambassadors has taken the following resolution :

Paris, September 13th, 1923.
10.50 p.m.

"The Conference of Ambassadors, in consideration of the desire expressed by the Council of the League of Nations to be informed of the results of the Conference's deliberations, has the honour to communicate to the Council the note which it has to-day addressed to the Greek Government. The Conference is convinced that the steps thus taken are calculated to lead to a satisfactory settlement of the situation created by the murder of General Tellini and the other members of the Italian delegation on the Albanian Frontier Delimitation Commission.

"The Conference having taken note of the acceptance by the Greek Government of the conditions set forth in the note addressed to it on September 8th, and having also noted the request submitted by the Greek Government with reference to the evacuation of the Island of Corfu, and having further taken note of the letter from the Greek Minister in Paris dated September 11th, which is principally concerned with the payment of 50 million Italian lire into the Swiss National Bank under the conditions laid down, has the honour to inform the Greek Government that the Allied Governments are no less anxious than the Greek Government to bring to an early conclusion the abnormal situation created by the crime committed on August 27th, and that the evacuation of Corfu will take place as soon as the conditions laid down in the note of September 8th have been fulfilled in the following manner :

"(1) The Allied Diplomatic Representatives at Athens will fix, in consultation with the Greek Government, the date on which they are to receive the expressions of

regret for which provision is made in the Conference's note and which will be offered not later than September 18th. (2) The funeral service in honour of the victims will be held at Athens on September 19th at 10,30 a. m. (3) The warships of the three Allied Powers will arrive in the harbour of Phalerum on the same day, and the details regarding the fulfilment of the third condition will be communicated to the Greek Minister in Paris. (4) Honours will be paid to the bodies of the victims on September 19th, on which day they will be placed on board ship at Preveza. (5) The Inter-Allied Commission of Control will enter upon its work at Janina on September 17th; not later than five days after its arrival, it will submit a telegraphic report on its initial conclusions.

"Should the authors of the crime not yet have been traced, the Commission will state under what conditions its investigations have been carried out, and the Conference, having seen the report, will decide whether the fifth condition contained in its note of September 8th can be regarded as having been fulfilled. Should this condition not have been fulfilled, in view of the Italian Government's statement that it would, in any event, evacuate Corfu on September 27th, the date fixed by the Conference of Ambassadors for the conclusion of the Greek enquiry, the Conference reserves the right to notify Greece of any other measures of a coercive or punitive nature which may be taken against her by the Allied Powers. Such measures may consist, in particular, in the payment to Italy of a sum of fifty million lire, and in that case the Conference will request the Permanent Court of International Justice at The Hague to restore to Greece the security deposited by her, and no further application will be made to The Hague, as stated in paragraph 7 of the note of September 8th, unless any special application is made to the Court by Italy for charges entailed by the occupation."

"The Council takes note of this resolution and welcomes the fact that it puts an end to a situation which has aroused intense anxiety."

The representatives of Sweden and the British Empire expressed their satisfaction at the happy solution of the dispute and, after having explained the reasons which had made it seem preferable to await the end of the dispute before undertaking the examination of the legal questions, expressed the view that this examination would dissipate all confusion regarding the questions on the interpretation of the Covenant raised during the discussions.

On the following day, the representative of Italy, after having explained the Italian point of view and replied to the observations which had been made on various legal points, declared that he would raise no objection to the proposal that the questions of principle and those on the interpretation of the Covenant should be studied apart altogether from the solution of the special case which the Council had just examined (1).

MEMEL

This question was brought before the Council of the League of Nations by the Conference of Ambassadors, which on September 25th, 1923, "called the attention of the Council to the situation created by the attitude of the Lithuanian Government."

The territory of Memel which is situated at the mouth of the Niemen between East Prussia and Lithuania, had, up to January 10th, 1920, belonged to Germany. By the Treaty of Versailles it was handed over to the Principal Allied and Associated Powers, leaving them free to dispose of it as they might think fit.

(1) See Annex

In the reply made in May, 1919, by the Principal Allied and Associated Powers to the observations of the German Delegation at the Peace Conference with regard to the provisions of the Peace Treaty, it had been stated that this territory was to be detached from Germany because the majority of the population was Lithuanian and because the Port of Memel was the natural outlet of Lithuania (1)

From the Peace Conference until the beginning of the year 1923, the Memel Territory was administered by a Representative of the Allies.

On January 8th, 1923, Memel was seized by a certain group of Lithuanians. The troops of occupation received orders to withdraw in order to avoid bloodshed, and a *de facto* government took possession of the territory. The Conference of Ambassadors immediately sent a Commission of Enquiry to the spot. On February 16th, 1923, the Conference of Ambassadors decided under certain conditions to transfer to Lithuania the rights which the Allied and Associated Powers held under the Treaty of Versailles. These conditions were as follows :

“The establishment in the Memel Territory of an autonomous government and popular representation, together with institutions officially recognising the two languages in common use and respecting the principle of the equality of all the inhabitants of whatever race, language or religion, and of equality of treatment as between nationals and foreigners in the exercise of civil rights and in commerce.

“Organisation of freedom of sea, river and land transit, due regard being paid to the interests of the Lithuanian and Polish districts for which Memel is the natural outlet, the Port of Memel to be placed

(1) The Lithuanian State had not yet been recognised by the Powers.

under an economic administration which will contribute to its development and which will provide every guarantee, in particular by the establishment of a free zone and by the appointment of duly qualified representatives, that the Lithuanian and Polish districts concerned will be given at that port the necessary commercial facilities.

"The Memel Territory to refund, under the guarantee of Lithuania, the expenditure incurred on account of its administration and occupation not yet recovered.

"All goods and properties situated in the Territory and formerly belonging to the German Empire or to the other German States to be transferred to Lithuania or to the Territory, provided that Lithuania takes over for herself and for the Territory the charges laid down in Articles 254 and 256 of the Treaty of Versailles.

"As soon as Lithuania accepts sovereignty over the Memel Territory upon the foregoing conditions, the Conference of Ambassadors, with the assistance of representatives of Lithuania and of the Territory concerned, will draw up at Paris an Organic Statute for the Memel Territory and conclude a Convention with Lithuania in conformity with the present decision."

Lithuania having accepted these principles, the Conference drew up a Convention with a view to applying them. Lithuania, however, did not see its way to accept certain clauses of this Convention and made counter proposals.

The negotiations were not successful, and the Powers represented on the Conference of Ambassadors therefore decided to refer the matter to the League of Nations, basing their action on Article 11 of the Covenant.

The Memel Commission.

The difficulties to be overcome were of two kinds : technical, since questions concerning transit had to be settled and the régime of a port international concern had to be organised; political and moral, because Poland, which administered part of the territory of which Memel was the natural outlet, had an interest in this question which had been recognised by the Conference of Ambassadors; and because the relations between Poland and Lithuania were not satisfactory. To obtain advice which should be both competent and impartial, the Council decided to refer the question to a Commission of three members, two of whom should be appointed by the Chairman of the League of Nations Committee for Communications and Transit. The third, who was to be Chairman of the Commission, was to be appointed by the Council. All three were to belong to nations other than those in which the sovereignty of Memel was at that moment vested.

Mr. Norman Davis was appointed by the Council as Chairman of the Commission. He was a member of the American Delegation to the Peace Conference in 1919, was Assistant Secretary of the Treasury in President Wilson's Cabinet, and in 1920-21 Under Secretary of State at Washington. The other members of the Commission were Mr. Kröller, a member of the Economic Council of the Netherlands Ministry for foreign Affairs, and Mr. Hoernell, Consulting Engineer and member of the Stockholm Academy of Technical Sciences. The Commission was instructed to endeavour, by a close study of the draft Conventions submitted by both sides and of all the relevant facts, to find some means of overcoming the difficulties which had arisen.

It was understood that all proposals made by the Commission should be in conformity with the principles laid down

by the Conference of Ambassadors on February 16th, 1923 and accepted by the Lithuanian Government. At the opening meeting of the Commission at Geneva its Chairman, Mr. Norman Davis, made the following statement with regard to the most important aspects of the problem :

“The serious conflicts between the view-points of the Conference of Ambassadors and the Lithuanian Government have arisen primarily over the method of giving practical application to the decision of February 16th, 1923. The two parties in interest have not been able to reach agreement, on the organisation of the Port of Memel and the regulation of traffic by sea and land. The Council of the League has recognised this by arranging that two members of this Commission should be chosen for their special knowledge of such technical problems.

“The Niemen River and the Port of Memel, which is its outlet, are of international importance. No one of the nations which occupies some section of such a waterway has any right or any advantage to block the legitimate economic development of the other nations along its course. And in these modern days no river or port is sufficient unto itself. To render its full service to mankind it must be part of a co-ordinated system of land transportation, of postal and telegraphic communications.

“It is my hope that we will be able to work out a project for the organisation of the freedom of transit on this important waterway, in accordance with the decision of the 16th of February, which will be just, and enhance rather than injure the valid interests of all concerned, and so obviously tending to the rapid development of the wealth of the harbour, the river and the hinterland that it will be readily accepted and acquiesced in by all the parties in interest.

“In the past, for political reasons—largely because it was a frontier river—the Niemen has been neglected. Only by imagination, by faith in the future, can the people who live along the shores of this river realise its potentialities. We must strive to remove, as far as may be, artificial impediments, which thwart the wealth-giving development of this waterway.”

The Commission then proceeded to Memel, where it heard representatives of all the institutions and corporations of that city. At Kovno and Warsaw the Commission interviewed members of the Lithuanian and Polish Governments. Conversations with representatives of the interested parties, with a view to the preparation of a satisfactory text, opened at Geneva on February 19th. When the Council of the League of Nations met on March 10th, the draft Convention was ready and the terms were accepted by the Lithuanian Government.

On March 15th, the Council, after having heard Mr. Norman Davis, President of the Commission, and M. Galvanauskas, Prime Minister of Lithuania, adopted the text submitted to it. The representatives of the Principal Allied Powers and the representatives of Lithuania expressly stated that they accepted it in the name of their respective Governments.

M. Skirmunt, representative of Poland, had previously stated to the Council that his Government desired certain modifications to be made in the Convention, particularly with a view to establishing a Polish zone in the Port of Memel, setting up an economic supervisory Council with a Polish member, and immediately re-establishing free transit between Poland and the Port of Memel, both for passengers and for goods. He stated that as these modifications had not been accepted, he was unable to accept the draft Convention and that all he could do was to submit it to his Government.

The principles which guided the Commission in its work were defined by Mr. Norman Davis in the report which he submitted on behalf of the Commission, and in the statement which he made to the Council on that occasion :

“The Allied and Associated Powers (it was stated) had separated the Memel district from the German Empire for a very definite purpose—that the port of Memel might serve as an outlet to Lithuania and all the territory of the Niemen basin; and therefore there was a specific moral responsibility on the Allied Powers to see that it was used for this purpose. The Commission felt that it could not negotiate nor recommend to the Council of the League of Nations any agreement or solution which failed to provide proper safeguards for an efficient administration of the Port of Memel, equal and adequate facilities for all trade and commerce in the port, and an outlet for the economic life of the entire hinterland.

“Considering the large body of international law in regard to the rights and duties of racial minorities which has been created by treaty contract since the war, the Commission felt that it could not recommend to the Council of the League of Nations any project for the transfer of sovereignty over the Memel Territory to Lithuania which did not offer the fullest protection to the non-Lithuanian population of the Territory and autonomy to the peoples in the Territory who had for several centuries lived under laws and customs different from those of the rest of Lithuania.”

Mr. Norman Davis explained to the Council that the Committee, when endeavouring to arrive at a settlement, had taken particular care to avoid entering into any political controversy.

In fact, in the opinion of the Commission, the only way to reach a settlement of the Memel question was to isolate

it, as far as possible, from other controversies which, nevertheless, remained an important factor in the solution of the transit problem.

"The agreement with the Lithuanian Government at which the Commission has arrived," said Mr. Norman Davis, "is in conformity with the decision of the Conference of Ambassadors of January 16th, 1923. We believe that our draft Convention is a sound one, because the carrying out of its provisions is to the interest of Lithuania; it is to the interest of Lithuania to secure a clear title to the Memel Territory. It is to the interest of Lithuania as well as of the people of the Territory to have an effective autonomous government in the Territory. The same applies to traffic on the Niemen.

"On the other hand, the Commission fully and cordially recognises that Poland has economic interests in this district, and it has done everything in its power to safeguard them.

"I do not know of any formula by which goodwill can be created by statute or treaty, no do I know of any legal machinery which, by itself, could render normal economic and commercial relations possible.

"If the proposed settlement is accepted in the proper spirit by all parties concerned, it can and should create a better political situation and bring about in the very near future a friendly understanding and co-operation, which would be distinctly to the advantage of all the people in the Baltic districts."

The texts submitted to, and accepted by, the Council include a general convention, regulating the position as established by treaty between the Allied Powers and Lithuania, and three annexes, one of which deals with all questions concerning the autonomy of the Memel Territory, another with the organisation of the Port, and the third with freedom of

transit on the Niemen. There is also a stipulation of a temporary nature providing for the coming into force of the Convention.

This general Convention lays down the conditions under which the Allied Powers transfer to Lithuania all rights and titles over the Memel Territory. Among other things it fixes the conditions under which the cost of occupation, administration and delimitation of the Territory is to be paid, it provides for the transfer of property, the right of option for former German nationals and the acquisition of Lithuanian nationality by the same nationals, the protection of minorities, and the rights of individuals and associations owing allegiance to foreign Powers.

Article 1 of the Statute of the Memel Territory lays down that the Territory shall constitute under the sovereignty of Lithuania a unit organised on democratic principles, enjoying legislative, judicial, administrative and financial autonomy within the limits prescribed in the Statute. This Statute defines the status of the local authorities, their duties and their powers.

The President of the Lithuanian Republic shall appoint a Governor of the Memel Territory. Legislative power shall be exercised by a Chamber of Representatives elected by universal, legal, direct and secret vote. The Directorate shall exercise the executive power in the Territory of Memel. It shall consist of not more than five members, including the President, and shall be composed of citizens of the Territory.

There is a special provision in the Statute recognising both the Lithuanian and German languages as official languages in the autonomous territory.

The Port of Memel shall be regarded as a Port of international concern. The recommendations adopted by the Bar-

celona Conference with regard to Ports under international régime shall be applied in that port.

The administration, the working, the upkeep and the development of the Port of Memel shall be entrusted to a Harbour Board, which shall consist of three members, one representing Lithuanian economic interests, one representing the economic interests of the Memel Territory, and a third to watch over the international economic interests served by the Port, and particularly those of the districts of which Memel is the outlet to the sea. The Harbour Board shall maintain the present free zone and shall provide such additional accommodation as traffic in transit may require.

In the annex dealing with transit, the Lithuanian Government undertakes to ensure the freedom of transit by sea, by water and by rail of traffic coming from or destined for the Memel Territory or in transit through that territory, and undertakes to conform in this respect with the rules laid down by the Statute and Convention on the Freedom of Transit, adopted by the Barcelona Conference.

The Lithuanian Government, recognising the international character of the River Niemen and traffic thereon, and the general economic benefits to be derived from the exploitation of the forests in the Lithuanian and other districts in the Basin of the Niemen, for which Memel is the natural outlet, also undertakes to permit and to grant all facilities for the traffic on the river to, from or in the Port of Memel, and not to apply in respect of such traffic on the ground of the present political relations between Lithuania and Poland the stipulations of Articles 7 and 8 of the Statute of Barcelona on the Freedom of Transit and Article 13 of the Barcelona Recommendations relative to ports placed under an international régime (1). This provision is intended to

(1) See the text of the said Articles :

Article 7 of the Statute. — "The measures of a general or particular character which a Contracting State is obliged to take in case of an emergency affecting the

ensure the immediate resumption of the river traffic and particularly of the timber traffic consigned to Memel, which has been interrupted since the territorial dispute between Poland and Lithuania.

Lastly, by the temporary provision already referred to, Lithuania undertakes, immediately on ratifying the Convention and without waiting for its ratification by the other Contracting Parties, to give effect to all the provisions of the Convention and its annexes. On the other hand, the British Empire, France, Italy and Japan declare themselves ready on the ratification of the Convention by Lithuania to recognise as lawful any acts of sovereignty on the part of the Lithuanian Government in the Territory of Memel. This temporary provision, which is of an exceptional nature, since it provides for the coming into force of the Convention before its ratification by all the Signatories, allows Lithuania to enjoy immediately the advantages which are granted to her by this Convention, and it also enables the Principal Allied Powers to assure themselves that the Convention is being put into force.

Several of the stipulations of the Convention and its annexes provide for action by the League of Nations.

Article 17 of the Convention is the most characteristic in this respect. It reads as follows:

“The High Contracting Parties declare that any Member of the Council of the League of Nations shall

safety of the State or the vital interests of the country may in exceptional cases, and for as short a period as possible, involve a deviation from the provisions of the above Articles; it being understood that the principle of freedom of transit must be observed to the utmost possible extent.

Article 8. — “This Statute does not prescribe the rights and duties of belligerents and neutrals in time of war. The Statute shall, however, continue in force in time of war so far as such rights and duties permit.

Article 13 of the Recommendations. — “These provisions do not prescribe the rights and duties of belligerents and neutrals in time of war. They shall, however, continue in force in time of war so far as such rights and duties permit.”

be entitled to draw the attention of the Council to any infraction of the provisions or the present Convention.

“In the event of any difference of opinion in regard to questions of law or of fact concerning these provisions between the Lithuanian Government and any of the Principal Allied Powers Members of the Council of the League of Nations, such difference shall be regarded as a dispute of an international character under the terms of Article 14 of the Covenant of the League of Nations. The Lithuanian Government agrees that all disputes of this kind shall, if the other party so requests, be referred to the Permanent Court of International Justice. There shall be no appeal from the Permanent Court's decision, which shall have the force and value of a decision rendered in virtue of Article 13 of the Covenant.”

The declaration in respect of the protection of minorities which Lithuania made before the Council of the League of Nations on March 12th, 1922, and the procedure adopted by the Council in regard to petitions dealing with the protection of minorities shall equally apply to minorities in the Territory of Memel.

The Chairman of the League of Nations Committee for Communications and Transit shall appoint the third member of the Memel Harbour Board. A copy of the Harbour Board's annual report shall be forwarded to the League of Nations Committee for Communications and Transit. Any proposed alteration in the composition or powers of the Harbour Board, or modification of the plan provided for the administration of the Port of Memel, must be approved by a majority of the Council of the League of Nations, and the same applies to any modifications in the annex dealing with transit.

The Chairman of the League of Nations Economic and Financial Committee shall, if necessary, appoint an arbitrator to settle the question of the payment of the cost of the occupation, administration and delimitation of the Memel Territory.

The Council, when proposing a solution for this difficult problem, has endeavoured at the same time to protect the interest of the Lithuanian State, of the population of the Territory and City of Memel, part of which is German-speaking, and also the interest of that Hinterland, both Polish and Lithuanian, of which Memel is the natural outlet.

With a few verbal alterations, the Convention was adopted by the Conference of Ambassadors and was signed by the Allied Governments and the Lithuanian Government, in the month of May.

*
* *

Notable amongst other questions before the League at the present time is the difference between Great Britain and Turkey regarding the frontier line between Turkey and Iraq. Both States have undertaken beforehand to accept the Council's final decision, and a Commission of three, which has been appointed to investigate and report to the Council, is now engaged upon its enquiries. Its programme includes visits to London, Angora, and the area in question.

ANNEX

INTERPRETATION OF CERTAIN ARTICLES OF THE COVENANT.

The representative of Japan, President of the Council, during the eighteenth meeting of the fourth Assembly on September 28th, 1923, made the following declaration :

"I am charged by my colleagues to inform the Assembly that the Council passed the following resolution at its meeting this afternoon :

"At its meeting of September 22nd, 1923 the Council asked a committee of Jurists to formulate questions with regard to certain points concerning the interpretation of the Covenant and other matters of international law which the Council had had under consideration.

"The Committee submitted to the Council on September 26th the following questions :

Question 1.

"Is the Council, when seized, at the instance of a Member of the League of Nations, of a dispute submitted in accordance with the terms of Article 15 of the Covenant by such a Member as 'likely to lead to a rupture', bound, either at the request of the other party or on its own authority, and before enquiring into any point, to decide whether in fact such description is well founded?

Question 2.

"Is the Council, when seized of a dispute in accordance with Article 15, paragraph 1, of the Covenant, at the instance of a Member of the League of Nations, bound, either at the request of a party or on its own authority, to suspend its enquiry into the dispute, when, with the consent of the parties, the settlement

of the dispute is being sought through some other channel?"

Question 3.

"Is an objection founded on Article 15, paragraph 8, of the Covenant the only objection based on the merits of the dispute on which the competence of the Council to make an enquiry can be challenged?"

Question 4.

"Are measures of coercion which are not meant to constitute acts of war consistent with the terms of Articles 12 to 15 of the Covenant when they are taken by one Member of the League of Nations against another Member of the League without prior recourse to the procedure laid down in those articles?"

Question 5.

"In what circumstances and to what extent is the responsibility of a State involved by the commission of a political crime in its territory?"

"The Members of the Council being in agreement that any dispute between Members of the League likely to lead to a rupture is within the sphere of action of the League, and that, if such dispute cannot be settled by diplomacy, arbitration or judicial settlement, it is the duty of the Council to deal with it in accordance with the terms of Article 15 of the Covenant: the Council decides that these questions shall be referred to a Special Committee of Jurists for an opinion as to the answers to be given.

"The Council resolves that the report of the Special Committee of Jurists shall be submitted to it in time for consideration at its session in December. Each Member of the Council may nominate within a period of 15 days a jurist to be a member of the Committee

The members thus nominated, together with the Director of the Legal Section of the Secretariat, will constitute the Special Committee of Jurists."

The Committee of Jurists contemplated by this resolution of the Council was constituted as follows : M. ADATCI (Japan), Lord BUCKMASTER (Great Britain), Dr. Enrique BUERO (Uruguay), M. F. de Castello BRANCO-CLARK (Brazil), M. FROMAGEOT (France), Dr van HAMEL (Director of the Legal Section of the Secretariat), M. Vittorio ROLANDI RICCI (Italy), M. Oesten UNDEN (Sweden), Marquis de VILLA URRUTIA (Spain), and M. de VISSCHER (Belgium).

This Committee, of which M. Adatci was Chairman, met on January 18th, 1924, and finished its work on January 24th. In a letter dated January 24th, M. Adatci informed the President of the Council of the replies on which the jurists had reached agreement.

These replies were as follows :

Reply to the First Question.

"The Council, when seized, at the instance of a Member of the League of Nations, of a dispute submitted in accordance with the terms of Article 15 of the Covenant by such a Member as 'likely to lead to a rupture', is not bound, either at the request of the other party or on its own authority, and before enquiring into any point, to decide whether in fact such description is well founded.

"The Council may at all times estimate the gravity of the dispute and determine the course of its action accordingly."

Reply to the Second Question.

"Where, contrary to the terms of Article 15, paragraph 1, a dispute submitted to the Council on the application of one of the parties, where such a dispute

already forms the subject of arbitration or of judicial proceedings, the Council must refuse to consider the application.

"If the matter in dispute, by and agreement between the parties, has already been submitted to other jurisdiction before which it is being regularly proceeded with, or is being dealt with in the said manner in another channel, it is in conformity with the general principles of law that it should be possible for a reference back to such jurisdiction to be asked for and ordered."

Reply to the Third Question.

"Where a dispute likely to lead to a rupture is submitted to the Council, on the application of one of the parties, in accordance with the provisions of Article 15, paragraph 1, the case contemplated in paragraph 8 of Article 15 is the only case in which the Council is not to enquire into the dispute.

"In particular, the reservations commonly inserted in most arbitration treaties cannot be pleaded as a bar to the proceedings.

"The Committee considers it desirable to observe that, where the case arises, the Council should, in determining the course of its action, have regard to international engagements, such as treaties of arbitration or regional understandings, for securing the maintenance of peace."

Reply to the Fourth Question.

"Coercive measures which are not intended to constitute acts of war may or may not be consistent with the provisions of Articles 12 to 15 of the Covenant, and it is for the Council, when the dispute has been submitted to it, to decide immediately, having due

regard to all the circumstances of the case and to the nature of the measures adopted, whether it should recommend the maintenance or the withdrawal of such measures."

Reply to the Fifth Question.

"The responsibility of a State is only involved by the commission in its territory of a political crime against the persons of foreigners if the State has neglected to take all reasonable measures for the prevention of the crime and the pursuit, arrest and bringing to justice of the criminal.

"The recognised public character of a foreigner and the circumstances in which he is present in its territory, entail upon the State a corresponding duty of special vigilance on his behalf."

* * *

The Council of the League of Nations, on March 13th, 1924, unanimously approved the replies of the Special Commission of Jurists.

During the examination of the report of the Commission statements were made by the Members of the Council, explaining their point of view.

M. Hanotaux, on behalf of the French Government, approved the replies as a whole, and the terms in which they were expressed. M. Quinones de Leon made a similar declaration on behalf of the Spanish Government.

Lord Parmoor, on behalf of the British Government, declared that he approved the answers of the Commission without reservations of any kind.

On behalf of the Belgian Government, M. Melot stated that he appreciated highly the excellent work done by the Commission of Jurists and accordingly supported, wholly and unreservedly, the report before the Council.

Viscount Ishii, on behalf of the Japanese Government, declared that he approved and accepted, as a whole and unconditionally, the replies of the Commission, adding that, in his opinion, in the present conditions of international law, no more perfect or satisfactory reply could be anticipated.

On behalf of the Czechoslovak Government, M. Benes stated that in view of the subtlety of the legal formulæ contained in the Report, the diversity of case which might be brought before the Council, and the doubt as to the precise legal meaning of the word "approves", he would have preferred that the Council "take note" of the Report. In that case, however, he would have added the firm conviction that the Report formed a solid basis for the solution of questions with which the Council might be called upon to deal.

M. Salandra stated that the Italian Government approved the Report. It hoped that its approval would be regarded as a proof of its loyal adhesion to the essential principles of the Covenant, and of its desire that the League should continue to develop its useful work for the maintenance of peace and of the best possible relations between civilised nations.

M. Souza Dantas (Brazil) reminded the Council that the traditional policy of his Government was in favour of arbitration. He emphasised that Brazil would invariably resort either to arbitration, to peaceful procedure as laid down in the treaties she had signed, or to one of the procedures laid down in the Covenant of the League, to which Brazil was a party and the obligations of which Brazil intended faithfully to execute.

M. Branting (Sweden), while approving the report, said that, with regard to the reply to the fourth question, the

Commission of Jurists had not specified the cases in which coercive measures were legitimate or not. He added that the Swedish Government would have wished this question to be referred to the Permanent Court of International Justice, and declared that his Government continued to be of the opinion that the use of armed forces was not compatible with the Covenant in the circumstances specified in the fourth question.

M. Guani (Uruguay) said that his Government would have preferred a clearer reply to the fourth question, defining, for example, more precisely measures to be considered as "measures of coercion not intended to constitute acts of war." He further pointed out that, in conflicts of this nature in the history of the American nations, the point of view adopted—even before the signature of the Covenant—clearly tended towards the exclusion of reprisals and towards settlement by arbitration of all international disputes.

* * *

The resolution adopted by the Council of the League was as follows :

"The Council, having noted the replies of the special Committee of Jurists to the questions raised in the resolution of the Council dated September 28th, 1923, approves those replies as a whole.

"It further decides that the text of the present resolution, together with the text of the replies, shall be communicated to all the States Members of the League of Nations."

THE MONTHLY SUMMARY

OF THE

LEAGUE OF NATIONS

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THE LEAGUE OF NATIONS

POLITICAL ACTIVITIES

Vol. II

**Information Section,
League of Nations Secretariat,
GENEVA.**

NOTE

This pamphlet, one of a series issued by the Information Section of the League of Nations Secretariat, is the second dealing with the political activities of the League.

The first appeared in January, 1925. This second volume contains a summary of the principal political questions with which the League has dealt from that date to October 1927.

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DELIMITATION OF THE FRONTIER BETWEEN TURKEY AND IRAQ

Mosul Question.

INTRODUCTION

ORIGIN OF THE DISPUTE.

When the Armistice between Turkey and the Principal Allied and Associated Powers was signed at Mudros on October 30th, 1918, British troops were occupying Mesopotamia. This portion of Turkey lay between the Persian Gulf and the mountains to the north and corresponded roughly to the former Turkish administrative districts or vilayets of Basra, Baghdad and Mosul. The first treaty of peace with Turkey, signed at Sèvres on August 10th, 1920, transferred the sovereignty over this area to the Allied Powers by establishing the new frontier to the north of Mosul.

In addition, it was agreed by Article 94 of the Treaty that Mesopotamia as well as Syria should be recognised as an independent State in accordance with paragraph 24 of Article 22 of the Covenant of the League of Nations. This independence, however, was subject to the giving of administrative advice and assistance by a mandatory Power until such time as the new States were able to stand alone.

Great Britain was given the mandate over Mesopotamia by the Allied and Associated powers and formed it into an Arab kingdom under the name of Iraq; Emir Feisal, son of Hussein, the King of the Hedjaz, was placed on the throne.

Turkey did not ratify the Sèvres treaty and was invited to negotiate a new peace treaty in its place after the cessation of hostilities between Turkey and Greece in Asia Minor. These negotiations began at Lausanne in November 1922 and at the outset it became clear that Turkey did not wish to confirm the surrender at Sèvres of the vilayet of Mosul, although she was not anxious to re-open the question of the vilayets of Baghdad and Basra.

The question therefore was to agree upon a common frontier between Turkey and the new kingdom of Iraq under the mandate of Great Britain. The Turkish delegation was willing to recognise a line drawn to the south of the city of Mosul; the British delegation, on behalf of Iraq, claimed a frontier following the crests of the mountains to the north of the city, in other words the incorporation of the vilayet of Mosul in Iraq.

Negotiations on this question continued throughout the Lausanne Peace Conference, but no agreement was reached. The Turkish delegation gave their reasons for being unable to give up their claim over the Vilayet of Mosul. The British delegation, on the other hand, urged that the Kingdom of Iraq was bound to claim a frontier which would include that vilayet. The Conference was unable to do more than leave the question in suspense and provide for its subsequent settlement by the procedure indicated in Article 3, paragraph 2 of the Treaty :

“ The frontier between Turkey and Iraq shall be laid down in friendly arrangement to be concluded between Turkey and Great Britain within nine months.

“ In the event of no agreement being reached between the two Governments within the time mentioned, the dispute shall be referred to the Council of the League of Nations.

“ The Turkish and British governments reciprocally undertake that, pending the decision to be reached on the subject of the frontier, no military or other movement shall take place which might modify in any way the present state of the territories of which the final fate will depend upon that decision. ”

Direct negotiations between the two Governments were opened at Constantinople in May 1924, but were unsuccessful. The British Government, therefore, in accordance with the provisions of the Treaty, submitted the dispute to the League of Nations on August 6th, 1924.

CHAPTER I

CLAIMS OF THE TWO GOVERNMENTS

Before the meeting of the Council which was to study the problem, the two Governments had forwarded to the League memoranda setting forth their respective cases, of which a brief analysis follows.

(a) *British case.* — The frontier claimed was :

1) From the confluence of the rivers Tigris and Khabur to the confluence of the rivers Khabur and Hazil : a line following the right bank of the Khabur.

2) From the confluence of the rivers Khabur and Hazil to the confluence (about 13 kilometres west of Baijo) of the river Hazil and the watercourse coming down from the Tanin Hills : a line following the right bank of the Hazil.

3) Thence eastward to a point about 4 kilometres northwest of Baijo : a line following the ridge.

4) Thence north-eastwards to a point on the river Khabur about 1 kilometre south of Bait-us-Shabab : a line to be fixed on the ground, passing about 3 kilometres to the north-east of Testian.

5) Thence eastward to a point about 2 kilometres to the west of the Deri-a-Zin Pass : a line to be fixed on the ground.

6) Thence eastward to a point on the Great Zab about 2 kilometres south of Julamerk; a line following the ridge and cutting the Berdzan Su watercourse about 2 kilometres south of Kawara.

7) Thence south-eastward to the confluence (about 5 kilometres southwest of Neri) of the river Shemsdinan Su and the watercourse which comes down from the mountains east

of Neri: a line following the ridge Khisara, Supa Dirig, Nakhira Shirka, Sarta Dahg, Sat Dag, Chia Chelli, Sei-i-Mazri.

8) Thence north-eastward to Hill 10,990: a line to be fixed on the ground.

9) Thence eastward to a point on the Persian frontier (Dlamper Dag) about 6 kilometres north of the Gadir Pass: a line to be fixed on the ground.

In support of its claim, the British Government put forward the following considerations:

Ethnologically, the peoples in the territory might be divided approximately as follows:

Arabs	185,700
Kurds	454,700
Turks	65,800
Christians	77,000
Jews	16,800
TOTAL	800,000

The number given for the Kurds included 30,000 Yezidis, who though similar in race to the Kurds, were not Moslems and had no Turkish sympathies.

According to the British figures the great majority of the inhabitants were not Turkish by race. Even those who were called Turks were not true Osmanli but Turkomans, and their Turanian language bore a closer resemblance to the dialects of the peoples near the Caspian than to that of the Turks of Constantinople or Anatolia.

The Arabs were substantially more numerous than the Turkomans, but both were much fewer than the Kurds, who though also Moslems were not related to the Turks either by race or by language.

Of the [non-Moslem] peoples—Yezidis, Christians and Jews—the first two formed fairly compact groups in the northern part of Mosul which was claimed by Turkey.

Politically. — The various elements of the population had already had an opportunity of expressing their feelings regarding the fate of their territory.

The *Arabs* naturally wished to remain in the Arab state of Iraq :

The *Yezidis* were satisfied to be under the impartial government which had ruled them since the war, and desired to remain permanently in a State which would enjoy British advice and protection for some time.

The *Jews* were only a small section of the population, but there was no doubt that they had the same desire as the *Yezidis*, and for the same reasons.

The *Christians* had been fiercely persecuted by the Turks for having supported the Allies during the war. Their tribes had several times been decimated, and the British Government felt it an imperative duty to secure the settlement of this population in accordance with its expressed claims and aspirations. The Christians, both Nestorians and Assyro-Chaldeans, had placed all their hopes in British protection, and if their lands in the north of the disputed area were not to be included in Iraq, they would be in danger of utter destruction.

The *Turks*, or rather the *Turkomans*, who did not form a compact body in any part of the territory, had reasons to be satisfied with the present government. Some of them, however, would welcome a return of Turkish rule.

The *Kurds* proper (excluding the Kurdish-speaking *Yezidis*) formed, as has been seen, more than half the population of the territory. During the Lausanne Conference, the Turkish delegation had contented itself with stating that they were closely related to the Turks. Actually, however, they were as different from the Turks as from the Arabs. They formed a separate people, speaking an Indo-European language; some lived in Turkey, some in Persia, and some in

Iraq. During the last few years Kurdish national sentiment had developed, and had manifested itself on several occasions. In 1923, the chiefs of certain tribes near Nowanduz stated that they wished to belong to Iraq, provided they were given certain guarantees regarding the use of their own language and the appointment of Kurdish officials in the Kurdish districts. In other parts of the territory inhabited by Kurds, and particularly in the Sanjak of Kirkuk, the Kurds stated at the beginning of 1919 that they wished their territory to be attached to the Vilayets of Baghdad and Basra. In 1921, the same Kurdish districts, except the town of Kirkuk, showed their attachment to the State of Iraq during the referendum on the election of King Feisal to the throne.

To sum up, one-twelfth of the population was racially and politically akin to Turkey, while about five-twelfths—Arabs, Yezidis and Christians—wished to be attached to Iraq. The remaining six-twelfths formed a separate people, who still inclined towards political unity with the other members of their own nation (though this tendency was rapidly disappearing), but who had close economic relations with Baghdad. They desired the maintenance of their existing political unity, subject to certain guarantees which the Iraq Government was willing to concede.

Economically, the export trade from the Vilayet of Mosul had Baghdad and the south of that territory as its principal outlet; it was also directed towards Syria, but in a lesser degree. The trade between Mosul and Turkey was insignificant. The imports from Turkey consisted chiefly of timber, rope, dried fruits, and tanning materials. The exports from Mosul to Turkey were mainly cotton goods and colonial produce, which had formerly been imported into Iraq through the port of Basra. Central and southern Iraq could not do without the northern region, and the people were convinced of the essential unity of the three Vilayets and had unanimously claimed it. The Turkish Delegation had formally admitted

that Baghdad needed the wheat from Mosul, but pointed out that most of it came from the Turkish territory to the north and only passed through Mosul in transit. The British Delegation disputed this statement.

The frontier proposed by the British Government took into account the economic interests of the inhabitants of the area which had Mosul for its market. It had the advantage of ensuring that the stock-breeders on the plains had the mountain pastures they required.

Geographically and strategically the proposed frontier was the best that could be found. The line followed inaccessible mountain ranges and barren peaks, which formed an obstacle practically insurmountable in winter, and in summer only to be crossed by a few almost inaccessible passes, which were by no means easy of access. This boundary should ensure a more tranquil future for the peoples whose destinies would be bound up with those of Iraq, particularly the Assyrians, who were afraid of finding themselves again under Turkish rule, and whose presence in the frontier region would be most valuable to Iraq.

From the *military* point of view, the new frontier could be easily guarded, and would make the whole territory secure, a most important consideration since any possible source of agitation and uneasiness was dangerous among these peoples.

The frontier proposed by the Turkish Government, which would follow the Jebel Hamrin, would offer none of these advantages. The name did not denote a mountain chain, but a region of rolling downs extending in certain parts to within 60 miles of Baghdad.

In conclusion, the British Government observed that it might have made far more extensive claims, but deliberately contented itself with proposing a frontier which, in its opinion, formed after exhaustive and detailed examination, would contribute more than any other to the peaceful development and prosperity of the neighbouring regions.

(b) *Turkish case.* The Turkish Government claimed the following frontier: DIALA, Jebel Ham-rin, Jebel Fuhul, Wadi, Tartar, Jebel Sinjar. Under this claim the whole of the Vilayet of Mosul would have been under Turkish sovereignty. Indeed, the Turkish Government pressed for a definition of the question in dispute which, in its view, was that of the future of the Vilayet of Mosul. Its initial observations on the British Memorandum were to the following effect :

(1) That the question of the frontier between Turkey and Iraq, referred to in Article 3 of the Treaty of Lausanne, was being confused with the question of the future of the Vilayet of Mosul;

(2) That the British case, as formulated in the Memorandum submitted to League, also included claims to territories outside the Vilayet of Mosul, and consequently outside the scope of the question which the two parties had agreed to submit to the Council.

In the course of the negotiations at the Lausanne Conference both parties had tried, not only to settle the actual dispute, but to agree on the method of settling it. The Turkish Delegation had constantly pressed for a plebiscite. The British Delegation had rejected this proposal, and the two parties had then decided to refer the matter to the Council of the League — in other words, to ask the Council to determine “ the most appropriate means of ascertaining the true situation in the Mosul region ”. According to the Turkish Government, therefore, one of the most important duties of the Council was to decide what procedure was to be followed for finding a solution which would be entirely equitable. What the Turkish Government expected the Council to do was to hold a plebiscite in the Vilayet of Mosul under the supervision of a Mixed Commission, composed of Turkish, British and neutral members.

With regard to the main question—that of the allocation of the Mosul area—the Turkish Government refuted the various arguments advanced by the British Government in support of the claim that the territory in question should be attached to the Kingdom of Iraq.

On *ethnographical* grounds the Turkish Government disputed the British figures and said that the settled population of the vilayet, according to official statistics, was as follows :

Kurds	263,830
Turks	146,960
Arabs	43,210
Yezidis	18,000
Non-Moslems	31,000
TOTAL	503,000

The Arabs were only a quarter of the number of the Turks, and the Turkish Government denied that there was any distinction between Turks proper and Turkomans. It held that the Turks of Anatolia and the Turks of the Vilayet of Mosul were absolutely identical.

The Kurds were incontestably in the majority in the three sanjaks. Like the Turks they were Moslems; so also were the Yezidis, who although a distinct sect, were otherwise not separate. The non-Moslems (the Christian tribes) represented only one-seventeenth of the total population. Thus more than four-fifths of the population of the Vilayet were Turks and Kurds, and less than one-fifth Arabs and non-Moslems. Consequently the Vilayet of Mosul was an integral part of a large section of Turkey in which the population was a mixture of Turkish and Kurdish elements, whereas the territory of Iraq was peopled by Arabs.

On *political* grounds the Turkish Government objected to the British Government's statements as to the sentiments and desires of the population. The British Memorandum had

referred to the plebiscites which had taken place in certain parts of the territory, and in particular to that held before the accession of the Emir Feisal to the throne. The Turkish Government doubted whether the Kurds had been able, on that occasion, to express their wishes quite freely and genuinely. It also pointed out that two of the three administrative divisions of the Vilayet of Mosul, on which the Kurdish population was particularly numerous, had voted against union with Iraq.

With regard to the Arabs, the Turkish Government denied that they had voted so definitely for attachment to Iraq as the British Government asserted. But in any case, since according to the Turkish statistics they formed only a small minority, their vote could not have decided the fate of the whole territory even if it had been cast solidly in favour of that solution.

The wishes of the non-Moslems — Nestorian and Assyro-Chaldean Christians — could not be advanced as a serious argument for any solution, since they were only a very small minority. It was true that these Christians had to suffer for having fought during the war against their Moslem fellow-countrymen, among whom they had lived in comfort and security for centuries. It appeared to be the intention of the British Government to collect these various Assyrian, Persian and other elements into a compact body on the frontier between Turkey and Iraq. It was open to question, however, whether such an arrangement would be in the true interests of that community, and it seemed possible that the solution in question was based on other political considerations. Any decision that would have the effect of separating Kurdish districts from Turkey would be a constant source of trouble and unpleasantness between Turkey on the one hand, and Iraq, and Great Britain on the other. The factitious grouping of Assyrians on the frontier, so far from securing a lasting peace in those regions, could only place it in jeopardy.

Historically, Mosul and the region to the north of Baghdad had belonged to the Turks for six centuries without interruption, and *geographically* the Vilayet of Mosul had been regarded by several writers as naturally attached to Anatolia, to which it showed striking resemblances, especially in climate.

Economically, the Vilayet of Mosul was of very great importance to Turkey because all the routes between Anatolia, Syria and Persia passed through it. Communication between the different parts of Southern Anatolia also took place by routes passing through the Vilayet. The Turkish Government rejected the British argument that Iraq must possess the Vilayet of Mosul in order to secure its supplies. Iraq proper — the Vilayets of Basra and Baghdad — was fertile enough not to be dependent on the neighbouring territories, but even if it were, the existence of a frontier-line would not form an insuperable obstacle to the exchange of the products of the two territories.

A glance at the pre-war statistics would show that Mosul's trade was more with Diarbekr — that is, with the north — than with Baghdad and the Persian Gulf. And, since the construction of a railway connecting Mosul with the Mediterranean ports, that city was much more closely linked with Anatolia than with the Persian Gulf. Again, the argument that the Vilayet of Mosul was economically inseparable from Iraq was difficult to sustain when it was remembered that the British Government, in the agreement it had concluded with France in 1916, had arranged that the Vilayet of Mosul should be placed under French mandate.

Strategically, the Turkish Government considered that the frontier which it claimed had the advantage of forming a definite natural boundary between two regions. The Turkish Government deliberately refrained from discussing the strategical advantages of the frontier proposed by the British Government, and merely pointed out that it was obvious that no invading army would choose to enter a

territory by wellnigh inaccessible moutain passes but would prefer the valleys and the plains. Consequently the mountain barrier demanded by the British Government could not secure the defence of Iraq, which could always be invaded at other easily accessible points on its frontier. The ideal strategic frontier between Turkey and Iraq would therefore be identical with the frontier which would respect the legitimate rights of the population of the Vilayet of Mosul.

CHAPTER II

THE DISPUTE AS LAID BEFORE THE COUNCIL, AND A DEFINITION OF THE COUNCIL'S TASK

On September 20th, 1924, the Council of the League of Nations first took up this question, which was to occupy its attention for more than a year. Throughout the whole period covered by the preliminary work for the settlement of the dispute the Swedish representative on the Council acted as rapporteur. In this capacity M. Branting, the Swedish Prime Minister, brought the question before the Council and gave an account of the various circumstances which had led to its submission to the League for settlement. The British Government was represented by Lord Parmoor, and the Turkish Government by Fethy Bey, President of the Turkish Grand National Assembly.

On the basis of the memoranda which their respective Governments had submitted, the British and Turkish delegates set forth the main points of their cases and explained to the Council their views on the nature of the dispute.

The British Government maintained that the question before the Council was not whether the Vilayet of Mosul should belong to Turkey or to Iraq, but what should be the actual northern frontier of Iraq; and the British delegate laid stress upon the arguments in favour of his Government's claim that the frontier line should follow the mountain crests.

In the Turkish view the question was whether the Vilayet of Mosul was to remain under Turkish sovereignty or be annexed to Iraq. The Turkish Government claimed the Vilayet of Mosul as far as a line which followed the mountainous region of Jebel Hamrin, and it asserted that the population of the territory did not wish to be separated from Turkey. In the Turkish Government's opinion, therefore, the Turkish-Iraq frontier could not be fixed until a plebiscite had been held, under conditions guaranteeing freedom of voting, to determine what was to be done with the Vilayet of Mosul.

The Council was thus asked to decide two points : first, what was the nature of the dispute and the task entrusted to it; and secondly what procedure should it follow to ascertain the wishes of the population of the Vilayet.

The first step was to ascertain whether the delegations of the two parties acknowledged the Council's right to find any solution which it might deem equitable without having to choose between the alternatives actually submitted to it.

M. Uden, the Rapporteur, put this question to the Delegates of the two Governments and asked for their views as to the meaning of Article 3, paragraph 2, of the Treaty of Lausanne, and also as to how far they considered themselves bound in advance by the Council's decision.

The British representative replied that in his Government's view the Treaty of Lausanne placed the Council in the position of an arbitrator, and declared most explicitly that the British Government would hold itself bound by the Council's decision. The Turkish representative stated that his Government

recognised all the powers conferred upon the Council by Article 15 of the Covenant of the League. With regard to the nature of the dispute and the right of the Council to find any equitable solution, the representatives of both Governments agreed that the Council was not bound by the extreme claims that had been submitted to it. The British Government, through its representative, recognised the Council's right, when tracing the frontier between Turkey and Iraq, to select any line which, after the necessary study and investigation, it might think fit to adopt. The Turkish representative expressed a similar view, and added that he was sure that in its decision the Council would be guided primarily by the wishes of the population.

As we have seen, the Turkish Government asked the Council not to decide the disposal of the Vilayet of Mosul until it had ascertained the wishes of the population by means of a plebiscite; but this procedure was opposed by the representative of the British Government, who doubted whether the population was politically advanced enough fit to cope with the complex problems of a territorial settlement. A plebiscite might give rise to disturbances, and accordingly the British Government proposed that the Council should refer the problem to an impartial commission who would have all the necessary information at their disposal and might, if they thought fit, conduct an enquiry on the spot.

The information it obtained during its next meetings enabled the Council, on September 30th, to adopt a first resolution, which dealt partly with the nature of its task and partly with the procedure for obtaining the data necessary to a decision.

This resolution reads as follows :

“ The Council.....

“ Having heard the statements of the representatives of the British and Turkish Governments, who

undertook on behalf of their respective Governments to accept in advance the decision of the Council on the question referred to it;

" With a view to collecting the facts and data which it requires to fulfil the mission entrusted to it... :

" Decides to set up a special Committee of three members. This Committee shall lay before the Council all information and all suggestions which may be of a nature to assist it in reaching a decision. It shall give due consideration to the existing documents and to the views expressed by the interested parties both as regards the procedure and as regards the substance of the question. It shall receive all communications which the parties may wish to transmit to it. It may proceed to investigations on the spot and in that case may avail itself of the services of advisers appointed respectively by each of the two Governments concerned.

" The Committee shall fix its own procedure. The Secretary-General shall furnish it with the necessary staff and shall advance it the funds which it may require, such advances to be refunded to the League in equal proportions by the Governments concerned. The Council instructs its President and its Rapporteur on this question to appoint the members of the said Committee by common agreement.

" The Council notes the declaration of the British and Turkish Governments to the effect that, pending the decision to be reached on the subject of the frontier, no military or other movement shall take place which might modify in any way the present state of the territories whose final fate will depend upon that decision. "

CHAPTER III

THE ESTABLISHMENT OF A PROVISIONAL BOUNDARY

At the end of the resolution quoted above, the Council reminded the two Governments of their undertaking to abstain, pending the decision, from any military or other movement which might modify the situation in the disputed territory. Both Governments had complained that incidents had occurred in the northern zone of the Vilayet of Mosul. The Turkish Government had called the Council's attention to certain operations carried out by the British air forces stationed in Iraq, which had flown over territory administered by Turkey. The British representative also had protested against the movements of Turkish troops in the immediate vicinity of the frontier line.

On October 14th, 1924, the British Government informed the Council that a dispute had arisen with the Turkish Government over the interpretation of the last paragraph of the Council's resolution regarding the maintenance of the *status quo* on the provisional frontier. An urgent meeting of the Council was called at Brussels on October 27th. From the statements made by the representatives of the two Governments it was clear that both intended to respect the *status quo*, i. e., the territorial situation at the time when the Treaty of Lausanne was signed, but they could not agree as to the exact area which they were entitled to administer pending the final decision of the Council. It was upon this question of fact that they were unable to agree. The Council thought that steps should be taken to prevent any fresh dispute arising during the period required to prepare a settlement and with the help of expert cartographers, traced a line defining the territory to be occupied and administered by each party pending the

establishment of a final frontier. The Council's resolution gave as detailed a description as possible of the line chosen (1), and laid down that any area occupied or administered contrary to the terms of the resolution must be evacuated within fifteen days. This decision, which was accepted by both Governments, produced the desired effect. As will be seen later, no incidents of any kind occurred in the vicinity of the provisional line when the Commission of Enquiry visited the northern part of the disputed territory.

CHAPTER IV

WORK OF THE COMMISSION

(a) *Its Composition.*

The task of selecting the members of the Commission of Enquiry was entrusted to the President of the Council, who after a few days chose Count Teleki, a former Prime Minister of Hungary, M. de Wirsén, a Swedish Minister Plenipotentiary and Colonel Paulis, a Belgian.

The Commission met at Geneva on November 13th, and M. de Wirsén was appointed President.

After carefully examining the documents supplied to it, the Commission found that it would have to carry out an enquiry on the spot in order to obtain fuller data. It felt, however, that it should first obtain more information from the two Governments, and accordingly went to London and then to Angora, the object being to dispel any misunderstanding as regards the Commission's powers. It was anxious

(1) See Map attached.

to make it clear that Council had in no way restricted its discretionary powers, and that, as regarded both the procedure to be followed and the subject of the dispute itself, it was free to choose between the British and Turkish cases or to propose any frontier line it might deem desirable, irrespective of the extreme claims put forward by the two Governments. The Commission succeeded in gaining acceptance of this view both in London and at Angora. At its suggestion a British and a Turkish assessor were added to accompany it to the area in dispute. These assessors were General Jevad Pasha, for Turkey, and Mr. Jardine, for the British Empire, assisted by Saby Bey, the representative of the Iraq Government.

The Commission travelled *via* Damascus and the Syrian desert and arrived at Baghdad on January 16th, 1925.

(b) *The Investigations.*

In Baghdad, to which it proceeded first, the Commission obtained from the Iraq Government all the assurances necessary to enable it to fulfil its task, and in particular to enable the Turkish assessor and his colleagues to carry out the duties entrusted to them on the Commission. It also took advantage of its visit to Baghdad to receive representatives of various groups of the population. In particular it tried to obtain information about the economic interdependence of the old Vilayets of Mosul and Baghdad.

It then proceeded to Mosul, where it arrived on January 27th. There its work was delayed by fresh negotiations which it considered necessary in order to ensure full freedom of action. The Turkish assessor and the experts accompanying him were not, it seemed to the Commission, as free to move about as they should have been. The Commission was also anxious to make sure that no one should be under any kind of apprehension for having shown Turkish sympathies. After some days spent in negotiations, adequate assurances were obtained on both counts, and the Commission was able to

begin its enquiry without further delay. The method adopted, which had been decided upon beforehand, enabled it to get into touch with all the different elements of the population. The two assessors provided the Commission with a list of persons whose views they desired it to hear, and who were then asked to meet the Commission and invited to make frank statements of their views.

The Commission then decided, in order to expedite its work, to split up into sub-commissions, each visiting certain parts of the disputed territory. The enquiry conducted in the villages and among nomad tribes was particularly difficult, as in many cases the people are in a very backward state of civilisation. Moreover, many of the inhabitants of the outlying regions knew very little about the questions on which the Commission had to consult them. The Commission was obliged to adapt its method of enquiry to the circumstances and ideas of the witnesses. Its activities were mainly directed to inspiring confidence in those whom it consulted. It had the satisfaction of finding that evidence of this confidence increased appreciably as its investigations proceeded. The Commission met at Kirkuk, visited the important area of Sulaimaniya, and returned to Mosul on March 8th. There it resumed its investigations and interviewed religious authorities and owners of property, resident in the town itself or in its immediate vicinity.

The members of the Commission then went to the frontier district and visited Zakho and the larger Christian villages in that region; and also the localities inhabited by the sect of the Yezidis. They received delegations from Amadia and the other districts of the northern part of the territory, the whole which they had not been able to visit. Everywhere the Commission visited markets and bazaars and questioned traders and artisans. It collected ethnographical and geographical observations, and particulars as to means of communications and agricultural resources.

In order to complete its enquiry the Commission made aeroplane flights over different parts of the territory, particularly those proposed as frontiers by the two Governments, the Wadi-Tartar and the Jebel-Hamrin in the one hand, and on the other, the provisional « Brussels line » at Zakho in the neighbourhood of Rowanduz.

The Commission left Mosul at the end of March and returned direct to Europe.

(c) *The Report.*

The Commission met at Geneva from April 20th to July 16th, 1925, to draft its Report. This volume, consisting of about 100 pages, with maps, graphs and statistics, is one of the most interesting and remarkable documents which have been prepared for the use of the Council of the League.

Its main features and the conclusions reached in it are as follows :

It begins with a statement of the Commission's method of work. The Commission obtained its information by questioning all the persons and groups capable, in its opinion, of furnishing trustworthy indications of the aspirations and interests of the population in the disputed territory. The Turkish Government, having based its case on a consultation of the populations concerned, and the British Government having also emphasised the importance of this factor, it was essential that the Commission should endeavour, by the most thorough methods, to ascertain the wishes of these populations.

The Commission could not see its way to accept the Turkish Government's view that the population should be consulted by means of a plebiscite. On this point it concluded that in view of the uneducated state of the population, the archaic character of the social organisation and the impossibility of establishing a provisional neutral administration, the practical difficulties would have been insurmountable and it would be extremely doubtful whether the voting would be

honest. It therefore considered that the method of procedure proposed by the British Government was that most likely to provide the Council with the data necessary to settle the dispute. It followed this procedure in the course of its work; at the same time it kept constantly in mind the Turkish Government's desire and left no stone unturned to find out what the inhabitants desired.

After summarising the arguments submitted by the British and Turkish Governments respectively, the Report proceeds to a critical examination of these arguments and classifies them under the following heads : geographical, ethnographical, historical, economic, strategic and political.

The analysis of the geographical arguments contains a description of the respective frontiers proposed by the British and the Turkish Governments; an account of the geographical, geological and climatic features connecting the disputed territory with the neighbouring territory on the north and south, and a study of the roads and routes of communication.

The analysis of the ethnographical arguments includes a study of the population, of the character and affinities of the various races, the religions and sects, their distribution in the territory, the character of the town of Mosul, the system of property ownership, etc.

The historical arguments relate to the actual period of Turkish sovereignty in Mosul and the interdependence of the regions of Mosul and Baghdad.

As regards the economic relations of the Vilayet of Mosul with Anatolia on the one hand and Iraq on the other, the Commission compares the replies of the two Governments to the questionnaires sent to them. It divides the Vilayet from the economic point of view into three main sectors, and studies what the effect on each would be if it were attached to Turkey or to Iraq.

Dealing with strategy, the Report examines from the point of view of the security of the two neighbouring countries the frontier lines proposed by Great Britain and by Turkey, and also the "Brussels line".

The examination of the political arguments comprises a description of the political tendencies which the Commission found on its enquiry in the different parts of the territory and among the different sections of the population. A special chapter is devoted to the Assyrian problem.

In the last part of the Report the opinions of the Commission on each of the questions studied in the various chapters enumerated above are brought together to form a general conclusion. The opinions on individual subjects are set forth in explanation. The text of the final conclusion, which contains the Commission's proposals for a settlement, is reproduced below :

Looking at the question entirely from the point of view of the populations concerned, the Commission considers that it would be to some advantage that the disputed area should not be partitioned.

On the basis of this consideration the Commission, having assigned a relative value to each of the facts which it has established, is of opinion that important arguments, particularly of an economic and geographical nature, and the sentiments (with all the reservations stated) of the majority of the inhabitants of the territory taken as a whole, operate in favour of the union with Iraq of the whole territory south of the "Brussels line", subject to the following conditions :

(1) The territory must remain under the effective mandate of the League of Nations for a period which may be put at twenty-five years;

(2) Regard must be paid to the desires expressed by the Kurds that officials of Kurdish race should be appointed for the administration of their country, the dispensation

of justice, and teaching in the schools, and that Kurdish should be the official language of all the services.

The Commission is convinced that if the League of Nations' control were to terminate on the expiry of the four-years Treaty now in force between Great Britain and Iraq, and if certain guarantees of local administration were not to be given to the Kurds, the majority of the people would have preferred Turkish to Arab sovereignty.

The Commission is also convinced that the advantages of the union of the disputed territory with Iraq would in that case be exchanged for very serious political difficulties, and considers that under those circumstances, it would be more advantageous for the territory to remain under the sovereignty of Turkey, whose internal conditions and external political situation are incomparably more stable than those of Iraq. Whatever decision may be taken, it is essential, however, that Iraq should retain the Diala region, which is necessary for the solution of the irrigation problem.

The Commission feels bound to leave it to the Council of the League of Nations to appraise the legal and political arguments stated in its report, and to decide what relative weight should be given to them as compared with the other arguments. Should the Council, as the outcome of its examination, consider it equitable to partition the disputed territory, the Commission would suggest that the best line would be that approximately following the Lesser Zab. This line is described in greater detail elsewhere in the present report.

This conclusion is followed by certain special recommendations on the measures for ensuring peace within the country, the protection of minorities (particularly the non-Moslem minorities) and lastly, the measures which might be taken to help restore the commercial activity of the territory.

CHAPTER V

RESUMPTION OF THE WORK BY THE COUNCIL PREPARATION OF A SETTLEMENT

a) *Discussion of the Commission's Report.* — At its session of September 1925 the Council examined the Commission's Report, and at several meetings heard the observations of the two Governments both on the conclusions of the Report itself and also on the question at issue and the procedure to be followed in order to reach a settlement.

The British representative objected to the conclusion reached in the report that the disputed territory was still legally under Turkish sovereignty. Though not disputing that from a purely theoretical point of view Turkish sovereignty might still exist, he pointed out that Turkey had agreed in advance upon a final renunciation of her sovereignty over all territory beyond the line to be fixed by the Council as the frontier.

The British representative also referred to the passages in the Commission's report relating to the insurmountable practical difficulties which would arise if a plebiscite were organised, and observed that this opinion coincided with the view constantly expressed by his Government. As regards the final considerations of the report (reproduced above), and more especially the conditions under which the disputed territory could be attached to Iraq, the British representative observed that the Commission's suggestion that the League of Nations mandate might be extended for a period of 25 years could not in his Government's view involve any change in the status of Iraq as determined by the treaty in force between that kingdom and the British Empire.

Subject to this interpretation the British Government declared its willingness, before the expiration of that treaty in 1928, to supersede it by another treaty concluded for a longer period, whereby the mandatory Power would remain responsible to the League until the Council was assured that the conditions contemplated by the Commission were fulfilled and it was possible to admit Iraq as a Member of the League.

The British representative raised certain objections to the Committee's conclusion that the provisional « Brussels line » should become the permanent frontier between Turkey and Irak. When the case had first been brought before the Council his Government had asked that the frontier should pass north of the provisional line, as it would then, in the British Government's view, afford better guarantees of security for Iraq and would also enable the survivors of the Christian Assyrian nation to live once more in part of their ancestral home. The British representative also objected to the Commission's suggestion that the frontier should follow the line of the Lesser Zab, as he considered that this settlement would divide the territory in a manner harmful to the economic interests of Iraq.

Such were the principal observations laid before the Council by the British representative.

The Turkish delegate's observations bore principally upon three points : the facts noted by the Commission in the disputed territory, the legal situation there, and the general conclusion of the Commission's report.

In the Turkish delegate's view the facts noted by the Commission proved that, from the geographical, historical and ethnographical stand-point alike, the disputed territory was closely linked to the adjoining territory of Turkey.

From the economic point of view the report, although it laid stress on the ties that connected the interests of the

disputed territory with those of the Vilayet of Baghdad, admitted that the genuineness of the evidence obtained to that effect was not always above question. The Turkish representative added that according to the Commission itself the interests of the inhabitants could be safeguarded by economic agreements, whatever solution might be found for the territorial problem.

As to the legal status of the territory the Turkish Government considered that the Commission had fully recognised the soundness of the Turkish case.

Passing to the Commission's proposal regarding the establishment of a mandate over the disputed territory for a period of twenty-five years in the event of its being annexed to Iraq, the Turkish representative observed that, when examining any question submitted to it, the Council was bound by the treaties concluded between the States concerned. Turkey had not concluded any treaty recognising the establishment of mandates for the parts of the former Ottoman Empire which had been taken away from it, and asked could she now be expected to agree to the institution of a mandate for a territory which was at present an integral part of her national patrimony as a precedent condition to the detachment of that territory? The Turkish representative also objected to a settlement ostensibly based on considerations as to the relative degree of development of the countries concerned. Turkey laid claim to the disputed territory regardless of any consideration of that kind ; in her view the territory had never ceased to be an integral part of her patrimony, and the inhabitants demanded the continuance of Turkish sovereignty. In conclusion, he stated that the members of the Commission had exceeded their powers in expressing an opinion on a question which had not been raised namely, the establishment of a mandate in any form or for any period whatsoever. Moreover, " the very idea of introducing the effective mandate of the League of Nations would result in attributing to the

League the character of a claimant, when the League had in fact been resorted to as a mediator". Consequently, in considering the Commission's final conclusions, whether from the political or from the legal stand-point, the question of the mandate must be left out of account.

b) *Appointment of a Committee of the Council.* — The Council decided to submit to a careful examination both the conclusions of the Commission's report and the observations which they had called forth from the representatives of the two States concerned. For that purpose it appointed a Committee of three of its members — M. Uden, (Sweden), M. Quiñones de León, (Spain), and M. Guani, (Uruguay) — to examine the evidence and arguments which the representatives of the two Governments concerned might desire to put forward. The Council Committee set to work at once upon its task, which lasted from September 4th to September 19th. Its object was to reconcile the views of the two parties and induce them to accept a settlement by mediation, but its efforts proved fruitless. It was faced, too, with difficulties of another kind : its consultations with the parties elicited the fact that the latter did not agree as to the extent of the Council's powers.

There were two questions which were of special importance, and in view of their legal nature the Committee considered that, while it should continue its work, it should propose to the Council to submit them for an advisory opinion to the Permanent Court of International Justice.

c) *Request for an Advisory Opinion from the Permanent Court of International Justice.*

On September 10th, 1925, the Council, in conformity with the proposals of the Committee, adopted the following resolution :

The Council of the League of Nations, having been seized of the question of the frontier between Turkey and Iraq, by appli-

cation of Article 3, paragraph 2 of the Treaty of Lausanne, decides, for the purpose of elucidating certain points of law, to request the Permanent Court of International Justice to give an advisory opinion on the following questions :

I. What is the character of the decision to be taken by the Council in virtue of Article 3, paragraph 2, of the Treaty of Lausanne ? Is it, for example, an arbitral award, a recommendation, or a simple mediation?

II. Must the decision be unanimous or may it be taken by a majority? May the representatives of the interested parties take part in the vote?

The Permanent Court is requested to examine these questions, if possible, in an extraordinary session.

The Council requests the Governments of Great Britain and Turkey to be at the disposal of the Court for the purpose of furnishing it with all relevant documents or information. It has the honour to transmit to the Court the Minutes of the meetings of the Council at which the question of the frontier between Turkey and Iraq has been examined.

The Secretary-General is authorised to submit the present request to the Court, together with all the relevant documents, to explain to the Court the action taken by the Council in the matter, to give all assistance necessary in the examination of the question, and, if necessary, to take steps to be represented before the Court.

The British delegate, though he did not oppose the request for an advisory opinion recommended by the Council, expressed regret at the delay which would be caused by this new procedure. As he pointed out, his Government took it for granted that there was no doubt as to the Council's competence; the only doubtful points were the two questions which the Committee had proposed to refer to the Court.

The Turkish representative objected to the Permanent Court of International Justice being consulted on questions which, in his view, were essentially of a political character.

He maintained that the advisory opinion of the Court could not in any way affect the rights of the Governments or modify those already accorded to the Council, as both were based solely on the Treaty of Lausanne and the Covenant of the League. The Turkish National Assembly could not consider itself bound by any undertaking outside the treaties which it had ratified, and therefore no declarations or undertakings which modified the provisions of those treaties could be binding upon it except with its own consent.

The Council, before concluding its session, reminded both parties of the undertaking they had given not to carry out, pending the decision regarding the frontier, any military or other movement which might modify in any way the existing state of the territory.

As will be seen in a subsequent chapter, incidents did occur in the provisional frontier area, and accordingly the Council had to take the matter in hand and decided to send a Supervisory Commission to the area in question.

CHAPTER VI

THE QUESTION BEFORE THE PERMANENT COURT OF INTERNATIONAL JUSTICE

The Court held a special session at the beginning of November in accordance with the Council's request. It invited the two Governments concerned to send representatives and supply it with any supplementary information they might desire to submit to the Court. The British Government agreed to be represented, but the Turkish Government only communicated documents and sent notes in reply to certain questions which were put to it.

On November 21st the Court held a public meeting at which the Advisory Opinion given in reply to the Council's questions was read. The first part of this Opinion set forth the events which had led the Council to refer the question to the Court. The Court then proceeded to a detailed examination of the first question, which, as we have seen, was as follows :

“ What is the character of the decision to be taken by the Council in virtue of Article 3, paragraph 2, of the Treaty of Lausanne. ”

This paragraph — which is quoted in full in the introduction — lays down that “ in the event of no agreement being reached between the British and Turkish Governments in regard to the fixing of the frontier between Turkey and Iraq, the dispute shall be referred to the Council of the League of Nations ”, and that pending the decision the parties undertook to maintain the *status quo* in the territories the final fate of which depended upon that decision.

In this question the Court, seeing that its task was primarily to give an interpretation of Article 3, paragraph 2, of the

Treaty of Lausanne, made a detailed analysis of that paragraph in order to ascertain the factors determining the nature of the decision to be taken by the Council. It concluded that the intention of the parties was, by means of recourse to the Council as provided in the paragraph in question, to ensure a final and binding solution of the dispute; in other words, they had intended that the frontier should be fixed by the Council. The object of this Article, as shown in the first paragraph, is to fix the southern frontier of Turkey, and a frontier, as the word itself implies, should constitute throughout its entire length a precise and definite boundary; and should the parties fail to reach an agreement after the negotiations they had undertaken to enter into, the only remaining means of reaching a settlement was to place the final decision in the hands of a third party, in this case the Council of the League.

As we have seen, the second part of the Council's first question related to the nature of the decision which the Council would have to take under the terms of Article 3 of the Treaty of Lausanne. The document which the Council sent to the Court contained an explanatory parenthesis mentioning the three terms "arbitral award", "recommendation" and "simple mediation". In reference to these the Court found first of all that if the word "arbitration" is taken in a wide sense, characterised simply by the binding force of the pronouncement made by a third party to whom the interested parties have had recourse, it might be said that the decision in question was an "arbitral award".

The Council's powers are defined in Article 15 of the Covenant, which only refers to recommendations of a non-obligatory character. There is no reason, however, why parties should not agree in advance that as far as they themselves were concerned, the Council's recommendations should have the force of a decision which by virtue of their previous consent would compulsorily settle a dispute. Thus, in view

of its binding character, the decision which the Council would take in this matter would not be a mere recommendation, still less would it be a case of " simple mediation " by the Council. The Court was careful to point out, however, that in agreeing to refer the dispute to the Council the parties certainly did not lose sight of the fact that the Council's powers of mediation and conciliation form an essential part of the functions of that body. It was when such procedure failed that the Council would use its power of decision.

The second question submitted to the Court by the Council was whether its decision must be unanimous or might be taken by a majority vote, and whether representatives of the interested parties might take part in the vote.

In its Opinion the Court pointed out, in virtue of arguments based on the nature of the Council itself, that the dispute, even though not submitted to the Council under a clause of the Covenant, had nevertheless been referred to that body in its existing form, with the organisation and functions conferred upon it by the Covenant. The Court concluded from this that observance of the rule of unanimity was naturally and even necessarily indicated. This rule is laid down in Article 5 of the Covenant, and a departure from it is not allowed except in clearly specified circumstances, none of which applied in the present case. In the Court's opinion, however, the strict rule of unanimity is modified by a principle embodied in several provisions of the Covenant, namely that for the purpose of the required unanimity the votes cast by the representatives of the interested parties do not count. Accordingly the Court's conclusions on the two questions put to it were as follows :

- (1) That the " decision to be taken " by the Council of the League of Nations in virtue of Article 3, paragraph 2, of the Treaty of Lausanne will be binding on

the Parties and will constitute a definitive determination of the frontier between Turkey and Iraq.

(2) That the " decision to be taken " must be taken by a unanimous vote, the representatives of the parties taking part in the voting but their votes not being counted in ascertaining whether there is unanimity.

CHAPTER VII

FINAL DECISION OF THE COUNCIL

(a) *Adoption of the Court's opinion.* — After making a final attempt at mediation, the Council, using its powers as arbitrator — powers which it had been recognised to possess by the Court's Opinion — gave its decision on the question in dispute.

It was clear at the very first meeting of the session of December 1925 at which the question was considered that the Turkish representative's views differed from those of his colleagues on the Council as to the action to be taken upon the Court's Opinion.

The Council's first task was to give its decision on the Opinion. The Swedish representative, who reported on the question, proposed to his colleagues to adopt it.

The British representative, who then spoke, merely observed that his Government had always regarded itself as bound in advance by the Council's decision.

The Turkish Government, however, took a different view. Its representative put forward the same arguments as at the September session; the Turkish Government could not accept

any interpretation of Article 3, paragraph 2, of the Treaty of Lausanne contrary to that given by the Turkish Grand National Assembly at the time when it ratified the Treaty, and therefore, could not consider itself bound by the Court's Opinion. It had not, of course, refused to send to the Court in writing the information it had been asked to supply on certain points of detail, but it asserted that the Advisory Opinion had been given "after hearing only one of the parties to the dispute, which moreover had argued its case at great length". The Turkish Government, when it referred the question to the Council for settlement, had never intended thereby to create any pretext or excuse for accepting what it had refused at Lausanne by leaving the settlement of so important a question to the "luck of arbitration". According to the Turkish Government, the essential duty of the Council, under the terms of the Covenant, is to exercise a conciliatory and mediating influence and not to act as an arbitrator, except when expressly recognised as such. Article 3 of the Treaty of Lausanne does not confer upon the Council the power to take a decision which must be accepted — that is to say right to give a final decision. Being asked for his view regarding the adoption of the Advisory Opinion of the Court, the Turkish representative maintained that a unanimous vote of the Council was necessary, including the votes of the parties concerned.

The President said that the Council was dealing with a prior question as to the action to be taken upon the Advisory Opinion, accordingly its decision need only be taken by a majority vote. In the present case, however, the stricter rule based on the principle laid down in Article 15 of the Covenant might be followed. According to this rule the vote must be unanimous, apart from the votes cast by the States concerned. The question was put to the vote, each member of the Council voting individually, and the Advisory Opinion of the Court was adopted. The Turkish representative alone voted against it. He then expressed his regret

that his Government's observations had been rejected, and stated that in these circumstances he must regard the Council's vote not as a decision but as a recommendation, which he would duly notify to the Turkish Grand National Assembly.

(b) *Final Attempt at Mediation.* — As soon as the vote on the adoption of the Advisory Opinion had been taken, the Council's *rapporteur* observed that his colleagues had no intention of renouncing their duties as mediators, and that the Committee of the Council which had been formed in the previous September would pursue the negotiations it had already begun. In the week between December 8th and 16th fresh efforts were made by the Council Committee to offer a solution to the two parties. As it had done at every stage of the procedure, the Committee endeavoured to submit suggestions and proposals to serve as a basis for negotiation and agreement. With this object the Committee frequently exchanged views with the Turkish Delegation, but none of the suggestions put forward by either party seemed to the Council likely to provide a basis for discussion which would enable it to mediate with a view to a friendly settlement. As its *rapporteur* afterwards observed, the Council did not think fit to formulate proposals itself, because the parties themselves ought first to submit proposals with a view to a compromise, and, even so, the divergence between the proposals would not have to be so wide as to exclude all hope of conciliation. Moreover, the Council was bound to reserve its absolute right to take a decision — a right of which it would avail itself if necessary.

(c) *Resolution on the Substance of the Dispute.* — On December 16th, the Council announced its decision on the substance of the dispute. The Turkish representative did not attend the Council's meeting. He had sent a letter containing the following passages :

“ All the proposals which I have previously made

with the object of reaching an agreement and of facilitating the rôle of mediator and conciliator which we have always recognised the Council to possess have had no result, and as the Council has decided not to carry out this rôle, I find myself obliged to inform you that these proposals are now *ipso facto* null and void.

“ I desire further to declare that the sovereign rights of a State over a territory can only come to an end with its own consent, and that therefore our sovereign rights over the whole of the Vilayet of Mosul remain intact. ”

The Council's *rapporteur*, after giving a general account of the case, observed that the decision which the Council was to give would, as stated in the Opinion of the Court, be binding upon both parties and would constitute a final delimitation of the frontier between Turkey and Iraq, and the Council could find no surer bases for its decision than those provided in the Commission of Enquiry's report.

Having read the final conclusions of the Commission, the *rapporteur* went on to say that the Council Committee had weighed the advantages and disadvantages of each of the solutions suggested. Of these it had singled out two possible solutions : either Iraq might be given all the territory situated south of the “ Brussels line ”, or the disputed territory might be divided by a line approximately following the Lesser Zab. The Committee had felt that it ought to obtain the opinion of all the other members of the Council, and they had eventually come to the conclusion that the first suggestion afforded the best solution of the problem entrusted to the Council.

The statement of reasons submitted by the *rapporteur* also indicated the condition governing this decision as regards the extension of the mandate recommended by the Commission of Enquiry.

Thereupon, in accordance with the Opinion of the Court, the Council adopted the following resolution unanimously, not counting the votes of the parties :

The Council :

Having regard to Articles 3 and 16 of the Treaty of Peace signed at Lausanne on July 24th, 1923.

In view of the conclusions of the report of the Commission of Enquiry.

Adopting the reasons and proposals contained in the report of the Committee of the Council,

Decides :

1. (Description of the proposed frontier, which coincides with the " Brussels Line ").

2. The British Government is invited to submit to the Council a new Treaty with Iraq, ensuring the continuance for twenty-five years of the mandatory regime defined by the Treaty of Alliance between Great Britain and Iraq and by the British Government's undertaking approved by the Council on September 27th, 1924, unless Iraq is, in conformity with Article 1 of the Covenant, admitted as a Member of the League before the expiration of this period.

As soon as, within a period of six months from the present date, the execution of this stipulation has been brought to the knowledge of the Council, the Council shall declare that the present decision has become definitive and shall indicate the measures required to ensure the delimitation on the ground of the frontier line.

3. The British Government, as mandatory Power, is invited to lay before the Council the administrative measures which will be taken with a view to securing for the Kurdish populations mentioned in the report of the Commission of Enquiry the guarantees regarding local administration recommended by the Commission in its final conclusions.

4. The British Government, as mandatory Power, is invited to act, as far as possible, in accordance with the other suggestions of the Commission of Enquiry as regards measures likely to ensure pacification and to afford protection to all the elements of the

population, and also as regards the commercial measures indicated in the special recommendations of the Commission's report.

513 The British representative, on behalf of his own Government and of Iraq, accepted the Council's decision and announced that those Governments would loyally abide by it. He added that his Government intended at an early date to send the Council the text of a new Treaty between Great Britain and Iraq, the execution of which would give final effect to the Resolution adopted. .

Before the close of the meeting the President of the Council read, on behalf of his colleagues, the following recommendation :

The Council,

Having taken the decision which it was called upon to take under Article 3, paragraph 2, of the Treaty of Lausanne,

Urges the two parties which have laid the question before it to reach friendly agreements in order to put an end to the regrettable state of tension existing between them owing to the dispute for which a solution has just been found. By doing so, they will assure the strengthening of the foundations of peace, which is the essential object of the League of Nations.

CHAPTER VIII

STEPS TAKEN BY THE COUNCIL TO MAINTAIN ORDER IN THE REGION OF THE PROVISIONAL LINE

(a) *Despatch of a Commission to the spot.* — During the session of September, 1925, both delegations put forward complaints with regard to incidents which had occurred in the neighbourhood of the provisional line. In telegrams which were received during August, the Turkish Government protested against the activities of volunteer bands which were alleged to have attacked regular military posts, and also stated that British aeroplanes had flown over Turkish territory to

the north of the Brussels provisional line. It also protested against the British fleet's movements in the Aegean Sea, which, in its opinion, had " a significance which could not be attributed to mere chance ".

The British Government on the other hand complained that Turkish troops had crossed the Brussels provisional line and had attacked Christian villages. According to information received, the Turkish Government was systematically deporting the Christian population of the territory between the Brussels provisional line and the frontier claimed for Iraq by the British Government. At the British Government's request, and in order to ensure the maintenance of the *status quo* on the Brussels provisional line, the Council decided at its meeting of September 28th to send a League representative to the spot. For this purpose the Council selected General Laidoner (Estonian) and provided him with two assistants. The duty of the League representative was to keep the Council informed of the situation in the neighbourhood of the provisional frontier. The British representative stated that his Government and that of Iraq would give every facility to the League representative. The Turkish representative said that it was not in his power to give like assurances with regard to the area north of the Brussels line.

(b) *Report of the Commission despatched to the spot.* — General Laidoner, assisted by M. Markus of Estonian nationality, and Colonel Jac, of the Czechoslovak General Staff, proceeded to the area in dispute immediately after the Council session, and remained there until the December session, at which he was called upon to report to the Council on his work. The Turkish representative, who had been asked to take part in the Council's proceedings on the occasion of the examination of this report, declined the invitation.

The purpose of the Laidoner mission was to make an enquiry in the area south of the Brussels line, the Turkish Government having refused to admit the Council's represen-

tative to the zone north of this line. With regard to the scope of his task and the methods to be employed, General Laidoner was given a free hand. However, as will readily be understood, the obligation of confining his mission to the zone south of the Brussels line materially reduced his sources of information. The mission under his orders proceeded to investigate the various incidents previously brought to the Council's attention. It endeavoured to form an idea of the circumstances which had led to the attacks by chiefs of tribes and villages in the frontier districts and the occupation of certain villages by Turkish military patrols, of which the British Government had complained. Further, it attempted to ascertain whether British aeroplanes had actually crossed the provisional line of demarcation, as stated by the Turkish Government. Lastly, it collected fairly complete information regarding the deportations of Christian tribes living between the provisional line and the frontier claimed by the British Government. General Laidoner was able to ascertain that 3,000 Christian fugitives had been driven from their villages, and that scattered groups were daily entering the zone in the neighbourhood of the provisional line.

“ Among all the incidents which had taken place in the zone of the Brussels line ”, said General Laidoner, “ it was beyond question that the deportation of Christians constituted the most important fact, especially if it was considered that a fairly large population had been deported from the villages, and that these deportations were still going on... ”.

General Laidoner's mission came to an end as soon as the Council pronounced its final decision on the substance of the dispute; but at the British Governments request his two assistants remained for some months in the neighbourhood of the frontier as finally fixed by the Council, their chief duty being to collect information as to the circumstances attending the gradual pacification of an area still disturbed by local incidents and especially by the influx of fugitives from the north.

CHAPTER IX

ENTRY INTO FORCE OF THE COUNCIL'S DECISION ANGLO-TURKISH AGREEMENT

a) *Entry into force of the Council's decision.* — The Council's decision, assigning to Iraq the disputed territory bounded on the north by the Brussels line, was not due to enter into force until the British Government should have accepted certain conditions. In the first place it was to submit to the Council a new treaty with Iraq ensuring the continuance of the mandatory régime for twenty-five years or until such earlier date as Iraq was qualified, in the Council's opinion, to become a member of the League of Nations. Secondly, the British Government was invited to propose to the Council administrative measures calculated to give the Kurdish population guarantees. Lastly, the British Government was invited to act as far as possible on the suggestions of the Commission of Enquiry as regards measures likely to ensure pacification and to afford equal protection to all the elements of the population.

At the Council session in March, 1926, the British Government submitted the text of a new treaty signed at Baghdad on January 13th, 1926, which had been accepted by the Iraq legislature and approved by the British Government. This treaty confirmed the existing relations between the British Government and that of Iraq for a period of 25 years, according to the Council's wish. The Turkish Government had been asked to send a representative to the meeting at which this treaty was to be submitted to the Council for approval, but had replied that it had had no opportunity of examining the Treaty, and that in any case its attitude to the Mosul question, which it did not regard as settled, had not changed.

In the absence of the Turkish representative, the Council noted that, as the prescribed conditions had been fulfilled, the decision of December 16th, 1925, fixing the frontiers between Turkey and Iraq, became final. At the same meeting the Council took note of a British report on the administration of the Kurdish districts of Iraq. But as the territories whose fate had been decided by the Council were now incorporated in the Kingdom of Iraq, which was itself under League mandate, it became necessary to follow the ordinary League procedure for the administration of mandated territories. The measures taken by the British Government for the benefit of the Kurds were therefore referred to the Permanent Mandates Commission, as advisory body to the Council.

b) *Conclusion of the Anglo-Turkish Dispute.* — While the Council's decision brought the dispute between Great Britain and Turkey to an end from the legal point of view, political difficulties still subsisted, owing to the attitude taken up by the Angora Government. The Council had considered these difficulties at the meeting which it had given its final decision. In this connection the Resolution of December 25th, 1925, contained the following passage :

“ The Council urges the two Parties which have laid the question before it to reach friendly agreements, in order to put an end to the regrettable state of tension existing between them owing to the dispute for which a solution has just been found. By doing so they will assure the strengthening of the foundations of peace which is the essential object of the League of Nations. ”

As we have seen, the Turkish representative was not present at this meeting. The British delegate, however, took this opportunity of stating that his Government had no wish to take up a rigid or uncompromising attitude towards Turkey, and most earnestly desired to live on terms of peace and amity with the Turkish Government. The Council having given its

decision, the British Governemnt would gladly lend itself to conversations with the Turkish Government in order to see whether, while taking due account of the Council's decision, it might not be possible to render the relations between the two countries easier and safer.

Turkey's reception of the Council's decision was at first in keeping with her declarations, to the effect that she still considered the question open.

Nevertheless, the desire of the two Governments to re-establish good relations, and to act in the interests of a population which had suffered greatly from the uncertainties of a long dispute, led to a resumption of direct negotiations on the basis of the Council's decision. These negotiations resulted in the conclusion of a treaty which was signed at Angora on June 5th, 1926.

On the 7th of the same month, the Council being assembled at Geneva, Sir Austen Chamberlain, representing the British Empire, said he was able to inform the Council that his Government and the Turkish Government, acting on the Council's recommendation of December 16th, 1925, had succeeded in reconciling their views. The agreement concluded involved Turkey's final recognition of the frontier drawn by the Council, with a purely local modification having the effect of leaving the road between the Turkish villages of Alamun and Ashuta entirely in Turkish territory. This cession of territory, which had been agreed to by the Governments of Great Britain and Iraq, was submitted to the Council for approval.

Further, the Turkish and British Governments had agreed to have the frontier delimited on the spot by a Commission whose Chairman was to be appointed by the President of the Swiss Confederation. After informing the Council of the chief clauses of this treaty, the British Government pointed out that in the circumstances it was no longer necessary to

maintain in the territory in question the Commission of neutral officers which the British Government had previously asked the Council to appoint. The Council took note of the rectification of the frontier which Great Britain and Iraq conceded to Turkey, and expressed its satisfaction at the agreement reached between the two Parties.

This was the last occasion on which the Council had to deal with this problem, which was completely settled, by the fixing of the frontier between Turkey and Irak and the re-establishment of cordial relations between the two Governments.

GRECO-BULGARIAN FRONTIER INCIDENT

CHAPTER I

INTRODUCTION

In the afternoon of October 19th, 1925, shots were exchanged between Bulgarian and Greek sentries placed on either side of the frontier near Demir-Kapu, north-east of Salonika. A Greek sentry was killed. At once the frontier detachments took up arms and prolonged firing ensued. A Greek officer, Captain Vassiliadis, who had advanced under a flag of truce, was shot dead a few hundred yards from the firing line.

The Bulgarian Government immediately proposed to the Greek Government the appointment of a Mixed Commission to establish the question of responsibility. The Greek Government demanded apologies and reparation, and, on receipt of news, which subsequently proved untrue, that a Bulgarian battalion was attacking the Greek post at Demir-Kapu, ordered the third Greek Army Corps to advance into the valley of the Struma. On October 22nd, Greek troops entered Bulgarian territory in the direction of Petritch, and on the same day the Bulgarian Government telegraphed to the Secretary-General of the League of Nations asking that the Council should be immediately summoned in virtue of Articles 10 and 11 of the Covenant (1). It added that, being convinced

(1) *Article 10.* — The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

Article 11. — Any war or threat of war, whether immediately affecting any of

that the Council would do its duty, it had given orders to its troops not to resist the invaders. The telegram reached Geneva on Friday, October 23rd, 1925, about 7 in the morning. The Secretary-General, under the powers conferred upon him in the event of war, or threat of war, by Article II paragraph I of the Covenant, immediately summoned a special meeting of the Council, which in agreement with M. Briand, the Acting President, was fixed for Monday, October 26th, 1925, in Paris.

The President of the Council at once telegraphed to the two Governments concerned reminding them of the obligations they had undertaken as Members of the League of Nations, and especially of their solemn undertaking in virtue of Article 12 of the Covenant not to resort to war, and of the grave consequences which the League Covenant laid down for breaches of such undertakings. "I therefore", added M. Briand, "exhort the two Governments to give immediate instructions that, pending consideration of a dispute by Council, not only no further military movements shall be undertaken but that troops shall at once retire behind their respective frontiers". It was ascertained later that the arrival of this telegram prevented a collision between the Greek and Bulgarian forces in front of Petritch—an event which might have had the most serious consequences. Three days later the Council met in Paris, the Greek and Bulgarian Governments being represented by their Ministers in France, M. Marfoff and M. Carapanos.

the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations. In case any such emergency should arise the Secretary-General shall on the request of any Member of the League forthwith summon a meeting of the Council.

It is also declared to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

CHAPTER II

CESSATION OF HOSTILITIES

Two questions claimed the attention of the Council of the League, and the President at once drew a distinction between them. One, which was urgent, concerned the immediate cessation of hostilities and the withdrawal of the Bulgarian and Greek troops to their respective territories. The other, that of establishing responsibilities and, if necessary, fixing the amount of reparation due, required for its treatment a certain amount of time.

At the Council's first meeting on the afternoon of October 26th, M. Briand asked the representatives of the two parties what effect had been given to the telegraphic recommendation regarding the cessation of hostilities, and what the present situation was in that respect. The Bulgarian representative declared that Greek territory had not been invaded or occupied by the Bulgarians at any point or at any moment. The representative of Greece stated that he had been informed by his Government that it was willing to comply with the invitation of the President of the Council and was ready to evacuate Bulgarian soil as soon as the Bulgarians had quitted Greek territory. The Council, after hearing its Rapporteur, Sir Austen Chamberlain, (Great Britain), decided in accordance with his proposals to request the representatives of the two States to inform it within 24 hours that their Governments had given unconditional orders to their troops to withdraw behind their national frontiers, and within 60 hours that all troops had been withdrawn within the national frontiers, that all hostilities had ceased, and that the troops had been warned that any resumption of firing would be severely punished.

Futhermore, the Council requested the Governments of France, Great Britain and Italy to send available officers immediately to the region where the conflict had broken out to report direct to the Council on the manner in which its decision was being executed, the time-limits for such execution beginning to run at 8 p. m. on October 26th.

The next day, October 27th, the Council heard statements of the situation from the representatives of the two Governments.

On October 28th the Council received a telegram from the Bulgarian Government announcing that strict orders had been given to the military authorities to refrain from all action along the frontier and immediately to withdraw any Bulgarian forces which might be upon Greek territory. The Greek Government instructed its representative to state that it had taken note of the Council's resolution, and had repeated and confirmed its previous instructions for the cessation of hostilities and withdrawal of the troops. The first part of the decision taken on the evening of October 26th by the Council was thus carried out, orders having been given to the troops of both parties to cease hostilities and evacuate all occupied territory.

As regards the execution of the Council's order for the evacuation of such territory, the Council at its meeting on October 29th took note of two telegrams, one from the Greek Minister of Foreign Affairs, stating that his Government would neglect no steps to ensure the evacuation of Bulgarian territory by the hour laid down; the other from the Military Attachés of Great Britain, France and Italy at Belgrade, who had reached the scene of the conflict at midday on Wednesday the 28th, and who announced that both parties had formally undertaken to refrain from any further hostile act and to warn their troops that any resumption of firing would be most severely punished; calm, they said, was reigning along the

whole front, and the arrangements which had been made gave hope that no fresh incident need be feared.

On the following day, October 30th, the Council learned from a communication from the Military Attachés and a telegram from the Greek Government that the Greek troops had completed the evacuation of Bulgarian territory by midnight on October 28th, eight hours before the expiration of the time-limit fixed, and that the evacuation had been accomplished without incident. All immediate danger of hostilities was thus averted.

During the discussions which were held in order to settle this first aspect of the question, the Members of the Council, and especially its President, M. Briand, and Sir Austen Chamberlain, its Rapporteur, made important statements at public meetings. "Such incidents as that which has caused our present meeting", said the British representative on October 26th, "have sometimes had very serious consequences in the past, when there was no machinery such as that offered by the League for their peaceful adjustment and for securing justice to both parties; but it would be an intolerable thing — I go so far as to say that it would be an affront to civilisation — if, with all the machinery of the League at their disposal and with the good offices of the Council immediately available — as this meeting shows — such incidents should now lead to warlike operations instead of being submitted at once for peaceful and amicable adjustment by the countries concerned to the Council, which would always have regard to their honour and to the safety and security of their nations."

At the meeting of October 28th M. Briand, in reply to arguments based on the right of legitimate defence, spoke as follows: "Under the pretext of legitimate defence disputes may arise which, though limited in extent, are exceedingly unfortunate owing to the damage they entail. These disputes, once they have broken out, may assume such propor-

tions that the Government which starts them under a feeling of legitimate defence, will no longer be able to control them.

“ The League of Nations, through its Council and through all the methods of conciliation which are at its disposal, offers the nations a means of avoiding such deplorable events. The nations have only to appeal to the Council. It has been shown that the criticisms which have been brought against the League of Nations, to the effect that its machinery is cumbersome and that it finds it difficult to take action in circumstances which require an urgent solution, are unjustified. It has been proved that a nation which appeals to the League when it feels that its existence is threatened, can be sure that the Council will be at its post, ready to undertake its work of conciliation. ”

The representative of Great Britain associated himself on behalf of his Government with M. Briand's words. All the other Members of the Council likewise approved, and particularly emphasised the importance of the solemn undertaking given by all the States in Article 10 of the Covenant. The representatives of Brazil and Uruguay declared that the Council's action would have a considerable effect in all the countries, of Latin America.

Several of these countries, indeed, had sent telegrams to the Secretary-General as a proof of the interest which they took in the pacific settlement of the dispute; these countries included Cuba, Guatemala, Honduras, Nicaragua, Peru, Salvador and Venezuela. Similar messages had been received from other countries, such as Australia, Hungary, Luxemburg, Siam and Switzerland.

CHAPTER III

APPOINTMENT OF A COMMISSION TO INVESTIGATE AND SETTLE THE QUESTION

The Council had so far only fulfilled the first part of its task, which was to secure the evacuation of occupied territories and to prevent hostilities from developing. It still remained to find a complete solution of the difficulties which had called for its intervention. It had heard the explanations of the representatives of the two Governments. The Bulgarian representative had declared that Bulgarian troops had at no moment occupied Greek territory, his Government having at the outset proposed the appointment of a Mixed Commission of Enquiry. He had further reminded the Council that Bulgaria had complied with the provisions of the Treaty of Neuilly by reducing her armaments. He demanded a full investigation, the release of Bulgarian prisoners by the Greek Government, and reparation for damage done.

The Greek representative on the other hand had stated that the measures taken by his Government were in defence of national territory, that Greek troops had not advanced until Greek territory had been invaded, and that this advance was purely defensive. He pointed out that the Bulgarian Government had not proposed an investigation until their attack had failed. Finally he attributed the origin of the incident to the local activities of comitadjis, and to the fact that the Bulgarian Government had not been able to enforce the application of the military clauses of the Treaty of Neuilly. He concluded by calling upon the Council to extend the enquiry to the local causes of the incident.

From these statements it appeared that both the Bulgarian and Greek Governments desired that the Council should

order an enquiry into the origins and causes of the frontier incident with a view to establishing the responsibilities and, if necessary, fixing the compensation or reparation due. The Council, agreeing to undertake this task, proposed also to investigate the means of preventing such incidents in the future. In accordance with the conclusions of its Rapporteur, the British Representative, the Council decided on October 29th to appoint a Commission to carry out a full enquiry, to ascertain the facts enabling the responsibility to be fixed, and to obtain material for the determination of any indemnity or reparation which might be appropriate. This Commission was requested to report before the ordinary session of the Council in December, and was asked to make "any suggestions as to measures which in its opinion would eliminate or minimise the general causes of such incidents and prevent their recurrence". The Commission was empowered to take definitive decisions on the reparation or compensation due to private persons. The Military Attachés on the spot were to continue to watch the situation and, on the arrival of the Commission to place at its disposal any information which they had been able to collect.

The representatives of the two Governments gave their consent to this proposal of the Council, and declared on behalf of their Governments that they accepted in advance any decision which the Council might take for the closing of the incident. They formally undertook that the prisoners taken by either side should be immediately released and repatriated at the cost of the Government by whose forces they had been held. Similarly, all property, cattle etc... seized or requisitioned by either army would be immediately restored, or, if that was impossible, the injured parties would receive fair compensation to be fixed for each particular case by the Commission.

At the conclusion of the discussions the President of the Council thanked the representatives of Bulgaria and Greece for

the rapidity with which their Governments had complied with the invitation of the Council. " Throughout this affair ", said M. Briand, " which ends in so fortunate a manner, there is neither victor nor vanquished. There are two nations which, forming part of the same great family of peace, have shown their desire for conciliation by agreeing immediately to accord to reason and justice the last word in the dispute in which they were engaged... The League of Nations... is composed of nations great and small, all equal and all sure of finding within the League the same justice for every Member... In this case... the League of Nations has not failed to fulfil either the spirit in which it was founded or the purpose for which it was intended ".

Sir Austen Chamberlain, Rapporteur to the Council and representative of Great Britain, pointed out that one of the results of the Council's intervention was the marking of a considerable advance in League jurisprudence. He said : " Thanks to the readiness with which the two Powers concerned immediately submitted their case the Council, thanks to the promptitude with which you, Mr. President, and the Secretary-General acted before a dangerous situation had got out of control, the Council has met and, with the willing assent of both parties to the dispute, has brought to a close — a happy close — an incident which immediately threatened the peace of these nations... We have here an example of the conduct which may be expected of nations Members of the League between whom some unfortunate dispute arises which threatens the peace of the world; and we have an example of the manner in which the Council of the League will use the authority and the powers entrusted to it by the Covenant for conciliation, for restoring friendly relations between nations..., for removing, if possible, those causes of dispute in the future, and above all for preserving the peace of the world. Now that we are all bound together in the League and by the conditions of the Covenant, a threat of war anywhere is a menace which affects us all "

The other Members of the Council associated themselves with the remarks of the President and the Rapporteur, more particularly the representatives of Japan and Spain, who welcomed in the Council's action one of the first effects of the new atmosphere which had been created in Europe by the recent conclusion of the Locarno Agreements.

CHAPTER IV

REPORT OF THE COMMISSION OF ENQUIRY

The Commission of Enquiry was set up with the least possible delay and consisted of the following :

Chairman : Sir Horace Rumbold, British Ambassador at Madrid;

Members : General Serrigny (French), General Ferrario (Italy), M. Droogleever Fortuyn, Member of the Netherlands Parliament, His Excellency M. de Adlercreutz, Swedish Minister at the Hague.

After assembling at Geneva on November 6th, 1925, the Commission left on the following day for Belgrade. Here it met the Military Attachés of Great Britain, France and Italy, who had made the first investigations on the spot. It took note of the information they had collected and then visited the scene of the incident. Subsequently it pursued its enquiries at Athens and Sofia. It drew up its report without delay and communicated it to both the Governments concerned.

The Commission's report may be summarised as follows :

A. ENQUIRY

1. *The Demir-Kapu Incident.*

With regard to the original incident, the Commission stated that it was impossible to determine which of the two sentries fired the first shot, and whether the Grek sentry was or was not killed in Bulgarian territory. The same uncertainty attended the death of Captain Vassiliadis, who, hastening up from his headquarters in order to stop the fight, was killed a few hundred yards from the line when advancing in the company of a soldier carrying a white flag. During the day the two opposing detachments had been reinforced, partly by armed civilians. The firing had continued during part of October 20th and intermittently during the 21st, but the losses were slight. The local commands on both sides had made efforts to stop the affray, while the Bulgarian Government tried to obtain from the Greek Government, through diplomatic channels, the appointment of a mixed commission of enquiry.

The affair in itself was only one incident among many. The state of mind of the populations in the frontier zones, made up partly of refugees still affected by recent sufferings, reacted upon the soldiers living in their midst. The too close contact of the opposing posts, the defective organisation of the frontier guards, and certain instructions resembling too closely those which would be issued to outposts in the field, explained how such incidents could occur.

2. *Military action in Bulgarian territory.*

This was explained by the impression produced in Athens by reports exaggerated in transmission. It was owing to

the receipt of news in Athens on the morning of the 20th that the Bulgarians had attacked with a battalion, that the Minister of War had ordered the Third Army Corps to march into the valley of the Struma. On October 22nd, the Greek troops had crossed the frontier and were advancing on Petritch. An attack on Petritch had been arranged for the 24th at 8.30 in the morning. Orders from Athens suspending operations arrived two and a half hours before the moment fixed for the attack.

From the Bulgarian side reinforcements had been sent in the direction of Petritch with orders to " make only slight resistance, protect the... population, prevent the spread of panic... and not expose the troops to unnecessary losses, in view of the fact that the incident has been laid before the Council of the League of Nations, which is expected to stop the invasion. "

The Commission regarded the precautionary measures immediately taken by the Commander of the Third Greek Army Corps as normal, but, even if the danger had been real, the frontier-line gave them an entirely adequate covering position. There could be no question of premeditation on either side. The question would not have assumed such disquieting proportions, had not the Demir-Kapu outpost been reinforced by Bulgarian civilians armed in violation of the Treaty of Neuilly. Feeling in Athens was naturally roused at the news that a Greek sentry and an officer who had gone out to parley had been killed, and by other reports which depicted the situation as much more serious than it really was. The Commission, however, was of opinion that the operations carried out by the Greek troops were not technically justified.

RESPONSIBILITIES AND INDEMNITIES.

The Commission considered that the Bulgarian Government had acted in conformity with the Covenant of the League

of Nations, and that the fact that Bulgarian soldiers at Demir-Kapu might have at one moment ventured a few yards into Greek territory could not be held to be a violation of the territorial integrity of Greece. With regard to the Greek Government, the Commission, while taking account of the impression created by the news received, considered that, by occupying a part of Bulgarian territory with its military forces, Greece had violated the Covenant.

The Commission rejected the claims to indemnities submitted by the Greek Government, except as regards the claim on account of Captain Vassiliadis. The reparation to be made for damage caused in Bulgarian territory was divided into two parts. The first included compensation for the loss sustained by the population in movable property, furniture, agricultural implements, cattle, cereals, etc. The Commission, exercising the powers conferred upon it by the Council's resolution, fixed the sum to be paid under this heading at twenty million levas.

The second group of indemnities related to loss of life, the wounded (except in the case of civilians armed contrary to the Treaty of Peace), and certain material and moral damage caused to the population by the invasion (ill-treatment, loss of working days, etc.). For this class of damage the Commission recommended the Council to fix the sum to be paid to the Bulgarian Government at ten million levas. In fixing this sum, account was taken of the death of the Greek Captain Vassiliadis, who was killed while going forward bearing a white flag.

C. RECOMMENDATIONS.

This last part contained, firstly a summarised statement of the special problems which arise in this frontier district (material and moral position of Bulgarian and Greek refugees, action⁺ of the Macedonian Revolutionary Committee, part

played by the comitadjis). Then followed recommendations, military and political.

I. *Military recommendations.*

a) *Measures to prevent frontier incidents.* — The frontier guard system on both sides required to be reorganised and the opposing posts placed at a distance of at least 1 km. from one another. On each side of the frontier a neutral officer, placed at the disposal of each of the two Governments for a period of two years and attached to the headquarters of the frontier Guards, would see that the reforms were carried out on parallel lines in both countries.

b) *Measures to limit the effects of incidents.* — If the presence of neutral officers of the same nationality should not suffice to ensure the settlement of any incident on the spot by the local military authorities, a Conciliation Commission should intervene; it should consist of a Greek officer and a Bulgarian officer, each assisted by one of the two neutral officers, with another member as Chairman to be appointed in advance. In order to allow the Commission to meet without delay, the Chairman should be selected from among persons belonging to organisations working in the Balkans and attached to or having relations with the League of Nations.

c) *Measures to enable the League of Nations to take rapid action in cases of conflict.* — The report pointed out that the rapidity of the League's intervention in the Greco-Bulgarian incident had greatly helped to reduce the serious nature of the occurrence.

The Greek attack on Petritch, which had been fixed for 8.30 in the morning of October 24th, and which would have undoubtedly led to a serious engagement, was stopped by an order from Athens which arrived at 6 a. m. This order

had been despatched immediately on receipt of the urgent telegram sent by the Acting President of the Council to the Bulgarian and Greek Governments on the 23rd.

In order to hasten intervention by the League of Nations in such cases, the Commission recommended that special facilities for communication and transit should be granted to Governments and to the Secretariat of the League in case of a threat of war, and in particular that the use of wireless telegraphy and priority messages might be considered.

2. Political Recommendations.

Having been requested by the Council to make any suggestions as to suitable means of eliminating or minimising the general causes of such incidents, the Commission considered that it would be necessary, in the interests of friendly relations between Bulgaria and Greece, to remove two sources of discontent.

In the first place it recommended that the liquidation of property, undertaken in accordance with the Convention for the voluntary exchange of Greeks and Bulgarians, should be expedited, and an end put to all vexatious measures. Next it referred to the difficulties created by the presence in Bulgaria of a number of persons of Bulgarian race but Greek nationality, who had left Greece some considerable time before, leaving their property behind them. According to Articles 3 and 4 of the Treaty between the Principal Allied Powers and Greece concerning the treatment of minorities, such persons, not having renounced Greek nationality, were entitled to return to Greece, and in any case to retain their real property in that country. The Greek Government, however, under the pressure of circumstances, had settled Greek refugees from Turkey on their lands. The Commission, recognising that it was a practical impossibility to follow the provisions of the

Treaty to the letter, recommended that the Greek Government should offer equitable compensation to the persons thus injured, in return for their renunciation of Greek nationality.

The Commission concluded in the following terms :

“Taken as a whole, the measures proposed in the present report may be expected to contribute in a large degree towards reducing the tension between the populations of the two countries, particularly in the neighbourhood of the frontier.

“In the first place, the Macedonian Revolutionary Committee's influence would decrease as it found fewer and fewer grievances and sufferings among the refugees in Bulgaria to exploit. Secondly, the Greek population settled near the frontier would have less to fear from comitadjis and from the rancour of the Bulgarian population they have displaced. As the causes of discontent and grievance disappeared, relations between the two countries — and even in the Balkans as a whole — would become less strained.

“In conclusion, the Commission considers that it would be well for the Council to request the two Governments to keep it informed at sufficiently frequent intervals of the progress made in carrying out the measures recommended by the Council.

“The Commission is convinced that the two Governments would always be able to apply to the Council for any assistance they might require in carrying out the recommendations contained in the present report.”

CHAPTER V

DECISION OF THE COUNCIL AND END OF THE DISPUTE

At its meeting of December 7th, the Council heard the observations of the two Governments on the report of its Commission of Enquiry. Bulgaria was represented by M. Kalfoff, Minister of Foreign Affairs, and Greece by M. Rentis, former Minister of Foreign Affairs. The Council's first act was to set up a special Committee, consisting of its Rapporteur, Sir Austen Chamberlain, and the representatives of Belgium and Japan. This Committee was instructed to discuss the Commission's conclusions with the representatives of the two Governments concerned, so as to enable the Council to take a final decision with the consent of the two Governments. After several days of study and discussion, the Committee was able to submit a report to the Council at its meeting on December 14th. We may quote the following passages from this report :

"The fact that the Greek Government acted without premeditation, under the impression produced by information received from the frontier post and exaggerated in transmission to Athens, has not escaped our attention. But, even if this information had been accurate, the Greek Government would not have been justified in directing the military operations which it caused to be undertaken... We believe that all the Members of the Council will share our view in favour of the broad principle that where territory is violated without sufficient cause, reparation is due, even if at the time of the occurrence it was believed by the party committing the act of violation that circumstances justified the action. We believe this to be a prin-

ciple which all Members of the League of Nations will wish to uphold, and which both Bulgaria and Greece would wish to support, even if they had not already accepted in advance... whatever decision the Council might reach on this point."

The Council, including the representatives of Greece and Bulgaria, unanimously adopted the report. It approved the work of the Commission, and the conclusions at which it had arrived. It also adopted, with a few amendments, the Commission's recommendations on the military and political questions. The figures proposed as indemnities had been re-examined, and were maintained; the period for payment was fixed at two months, and the Council asked to be informed as soon as payment should be made. The Council requested the Swedish Government to supply two officers to help reorganise the frontier guard services; on the recommendation of these officers the Council itself would then proceed to appoint the Chairman of the Conciliation Commission, the establishment of which had been proposed by the Commission of Enquiry.

Lastly, the Council took note of the wish expressed by the two Governments to expedite the procedure of liquidating landed property, and requested them to keep it informed of the progress achieved in this work. It asked them to report to it at its next session on the effect given to its recommendation regarding persons of Bulgarian race and Greek nationality living in Bulgaria. The Greek Government (which had already expressed willingness to extend the time-limit for making declarations of voluntary emigration) undertook to consider means of obtaining equitable compensation for these persons. On the other hand, the Bulgarian Government undertook to use all its influence to persuade these persons to accept compensation in return for surrender of their rights.

It will be remembered that, when the incident first occurred, the attention of the members of the Council had been

drawn to the importance of rapid communications, in order that the organs of the League might in an emergency be able to operate as rapidly and effectively as possible; the experience of the past few days had shown that the measures taken both by the members of the Council and by the Secretary-General had succeeded in allaying the conflict and making its solution possible.

Accordingly, the Council referred to the League's Advisory Committee for Communications and Transit the suggestion made on this point by the Commission of Enquiry. This suggestion referred to the granting of special facilities for communications and transit to Governments and to the Secretariat of the League in case of a threat of war (1).

In the final part of its resolution the Council recognised that from the moment of its intervention both Governments had conformed to its decisions and executed them loyally.

Payment of the indemnities provided for in the Council's resolution was made in accordance with an arrangement between the two Governments; half was paid on February 15th and half on March 1st, 1926. At its session in March 1926, the Council took note of these payments and of the appointment of the two Swedish officers placed at the disposal of the Greek and Bulgarian Governments for the purpose of reorganising the frontier services. It also took note of the reports submitted by the two Governments on the pro-

(1) The question was raised in a more general form in the Preparatory Commission for the Disarmament Conference. The Communications and Transit Committee drafted a report on this subject, which was submitted to the Council at its session in December 1926, and then submitted for the examination of all Governments Members of the League.

In September 1927, the Assembly voted a solemn resolution reaffirming the obligation upon States Members of the League to facilitate by every means in their power the rapid meeting of the Council in an emergency, and calling upon States to take in advance all measures calculated to attain this result. The Council requested the Communications and Transit Committee to continue its examination of this matter.

gress achieved in executing the recommendation on the question of Greek nationals of Bulgarian race living at the time in Bulgaria (1). The Council was pleased to note that not only had all traces of the conflict disappeared, and the reparation ordered duly been made, but also that the measures taken to prevent a recurrence of such incidents had already begun to be executed, and had given proofs of their value.

(1) The two Governments later communicated to the Council reports on this question and on the liquidation of property. The question of compensating emigrants raises great difficulties of a technical and financial rather than political nature. The Council therefore requested the Financial Committee of the League to give its opinion upon all the technical aspects of the problem regarding which the Chairman of the Mixed Commission on Greco-Bulgarian Emigration might desire to consult it. The Financial Committee will keep the Council informed of the results.

CORRESPONDENCE WITH THE ABYSSINIAN GOVERNMENT

In July 1926 the Secretary-General received a note from the Abyssinian Government, dated June 19th, enclosing copies of the notes exchanged by the British and Italian Governments and communicated by them to Abyssinia. The latter requested that the documents should be communicated to the members of the League of Nations for consideration.

The Abyssinian Government stated that it had received from the British and Italian Governments identical notes informing it that those Governments had arrived at an agreement (December 1925) to support each other with a view to obtaining a concession for Great Britain to undertake the conservancy of the waters of Lake Tsana and for Italy to construct a railway through Abyssinia. The Abyssinian Government added that it could not help thinking that, in agreeing to support each other in this matter and in giving a joint notification of that agreement the two Governments were endeavouring to exert pressure on Abyssinia, in order to induce it to comply prematurely with their demands.

The Abyssinian Government asked that the correspondence forming the agreement between the British and Italian Governments should be brought to the notice of all the members of the League, in order that they might decide whether it was compatible with the independence of Abyssinia, inasmuch as it stipulated that part of the Abyssinian Empire was to be allotted to the sphere of economic influence of a specified Power.

The Abyssinian Government's note, together with the annexes, was communicated to the members of the League. The British and Italian Governments replied by separate notes, which were also communicated to all the members of the League. Both Governments expressed their regret that, in spite of the assurances conveyed to the Abyssinian Government by their Ministers at Addis-Ababa, the purport of their notes should have been misconstrued and intentions attributed to the British and Italian Governments which they had never entertained.

In its letter, the British Government declared further that there was nothing in the Anglo-Italian notes of 1925 to suggest coercion or the exercise of pressure in any form. It believed the agreement to be in the interests of all three parties, and added that the Abyssinian Government had of course a perfect right to judge what was in the interests of Abyssinia. As to the suggestion that the British and Italian Governments were trying to force the Abyssinian Government to yield to their requests precipitately, the British Government pointed out that negotiations had taken place between Great Britain and the Emperor Menelik twenty-four years before, that Great Britain had on several occasions made specific proposals in regard to the work at Lake Tsana, and that in those circumstances it could not fairly be charged with proceeding with undue precipitancy. The British Government further stated that the Anglo-Italian notes did not reserve any part of Abyssinia to Italian economic influence; that the recognition by the British Government, under certain conditions, of an exclusive Italian sphere of economic influence in the west of Abyssinia and in the whole territory to be crossed by the railway could not affect the rights of third parties or bind the Government of Abyssinia : and that such recognition imposed no obligation on anyone except the British Government, which in return for the Italian undertakings in regard to Lake Tsana, engaged not to compete or support competition with Italian enterprise in the region specified.

The Italian Government observed that the Abyssinian protest was especially surprising as the Italian representative in Addis-Ababa had already given the Abyssinian Government assurances as the result of which that Government had addressed to the Italian minister in Addis-Ababa a letter thanking the Italian Prime Minister and stating that it had never entertained any doubt as to the friendly intentions of Italy and her intention of respecting the independence of Abyssinia.

The Italian Government observed that neither in the letter nor in the spirit of the notes exchanged between the British and Italian Governments could anything be found which would justify the apprehension on the part of the Abyssinian Government that those Governments might be intending to exert precipitate and forcible pressure on Abyssinia; the agreement contained in the notes was binding solely on the Italian and British Governments. It could not detract from the right of Abyssinia to take such decisions as it might think fit, nor could it limit any action on the part of third parties.

In a fresh note, dated September 4th, to the Secretary-General, the Abyssinian Government summed up the situation as it appeared to it in view of the declarations in the replies of the British and Italian Governments to its note of June (1926). It added that, as these Governments themselves had stated, it retained full and complete freedom to decide as to any requests which might be made to it and had a perfect right to judge what was in the interests of Abyssinia.

In view of the fact that the notes exchanged between Great Britain and Italy (1925) had been registered with the Secretariat of the League of Nations, in conformity with Article 18 of the Covenant, the Abyssinian Government, in its note of September 4th, requested that its letter might be registered together with the notes in question, in order that the public might be acquainted with the Abyssinian Go-

vernment's views on these notes, and with the reassuring replies which had been made to its protests.

The Secretary-General observed in his reply that the letter of the Abyssinian Government, being a unilateral declaration, could not be regarded as a treaty or international engagement within the meaning of Article 18 of the Covenant, and that there was no precedent which justified him in having it registered and published in the Treaty Series. He added, however, that a suitable reference would be inserted in the Treaty Series at the end of the text of the notes exchanged between the British and Italian Governments, and that the Abyssinian Government's letter dated September 4th would be published in the Official Journal.

The matter was thus concluded, without having been placed on the agenda of the Council.

REQUESTS OF THE ROUMANIAN AND HUNGARIAN GOVERNMENTS

**under Article XI of the Covenant and Article 239
of the Treaty of Trianon.**

In February 1927, the Roumanian Government, having decided that the Roumanian member of the Mixed Roumanian and Hungarian Arbitral Tribunal should no longer take part in the discussion of agrarian questions raised by Hungarian nationals, addressed to the Council, under Article II, § 2 of the Covenant, a request for permission to explain its reasons for this measure.

The Hungarian Government asked the Council, under Article 239 of the Treaty of Trianon, to appoint two deputy-members in order that the Tribunal might be able to continue its work.

This fresh aspect of a question which had already been dealt with by the Conference of Ambassadors, the Council of the League and the Mixed Roumanian and Hungarian Arbitral Tribunal was considered by the Council in March, 1927.

Detailed statements were made by the Hungarian and Roumanian representatives, and the Council asked the British representative, in consideration of the importance and complicated nature of the question, to make a thorough study of it, assisted by the Chilean and Japanese representatives.

This Committee interviewed the representatives of the parties in May, June and September, in London and at Geneva.

On September 17th, the British Representative submitted to the Council a report containing a summary of the negotiations and a account of the work of his Committee, its conclusions and recommendations. He defined as follows the roles of his Committee and of the Council :

Looking at the problem as a whole, the Committee desired to find a solution which would allay discontent. It could not forget that the matter had originally been submitted to the Council not under Article 239 of the Treaty of Trianon, but under Article 11 of the Covenant, and that its intervention had been asked for, on that occasion, first of all by Roumania and then by Hungary. Under these circumstances it could not evade the duty imposed on it by the Covenant and confine itself simply to the election of the two deputy members for the Mixed Arbitral Tribunal, which the Hungarian representative had as a result of the proceedings demanded.

If it did so it would have failed to discharge its political duties as a mediator and conciliator in a dispute which extended far beyond the actual terms in which it had been originally submitted by the two parties.

Moreover, the Committee could not take a purely and strictly legal view of the Council's duties, especially as it realised that the election of the two deputy members would not have finally ended a difference which had been successively submitted to three international authorities.

On the contrary, it attempted on more than one occasion to bring about a general settlement which would have terminated the controversy and lead to better feelings.

With a view to conciliation, the Committee submitted to the parties certain formulae which they were unable to accept.

During September, the Hungarian Representative renewed the offer made in March that the question of jurisdiction of the Mixed Arbitral Tribunal should be referred to the Permanent Court of International Justice, but declared that it was unable to make new concessions.

This offer was not accepted by the Roumanian representative who in his turn submitted certain formulae based on the proposals made by the Committee of Three with a view to compromise. These formulae were rejected by the Hungarian representative.

The Committee was then compelled to abandon its hope of obtaining a solution by direct conciliatory methods. It submitted to eminent legal authorities the question whether the Mixed Arbitral Tribunal was entitled to entertain claims arising out of the application of the Roumanian agrarian law to Hungarian optants and nationals, and, if so, to what extent and in what circumstances.

This consultation led to the following conclusion :

If it could be established in any particular case that the property of a Hungarian national suffered retention or liquidation or any other measure of disposal under the terms of articles 232 and 250 as a result of the application to the said property of the Roumanian agrarian law and if a claim were submitted with a view to obtaining restitution, it would be within the jurisdiction of the Mixed Arbitral Tribunal to give relief.

The Mixed Arbitral Tribunal is not competent to give decisions on claims arising out of the application of an agrarian law as such unless the case mentioned in the preceding paragraph arises. In this latter case the jurisdiction of the Mixed Arbitral Tribunal would not be ousted on the ground that the application of an agrarian law was involved.

Since these considerations showed that the claim of a Hungarian national for restitution of property in accordance with Article 250 might come within the jurisdiction of the Mixed Arbitral Tribunal, even if the claim arose out of the application of the Roumanian Agrarian Law, the Committee enumerated three principles which it considered the accep-

tance of the Treaty of Trianon had made obligatory for Roumania and Hungary.

(1) The provisions of the peace settlement effected after the war of 1914-1918 do not exclude the application to Hungarian nationals (including those who have opted for Hungarian nationality) of a general scheme of agrarian reform.

(2) There must be no inequality between Roumanians and Hungarians either in the terms of the agrarian law or in the way in which it is enforced.

(3) The words " retention and liquidation " mentioned in Article 250, which relates only to the territories ceded by Hungary, apply solely to the measures taken against the property of a Hungarian in the said territories and in so far as such owner is a Hungarian national.

Accordingly the British representative proposed that the Council should request both Parties to conform to these principles, and should request Roumania to reinstate her judge on the Mixed Arbitral Tribunal. The report contemplated certain consequences, in the event of a refusal by one or both of the Parties to accept these proposals.

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At the four public meetings which the Council devoted to this affair, the Hungarian and Roumanian representatives stated their point of view both as regards the substance of the question and the proposals of the Committee.

Count Apponyi declared that he could not accept the proposals and that he did not recognise the legal value of the principles set forth in the report. In his opinion, the Council could neither impose them upon the Parties, nor attach sanctions to the non-acceptance of the proposals. He renewed his proposal that the Permanent Court of International Justice should be asked for an advisory opinion, as to whether

the Mixed Arbitral Tribunal had exceeded its powers. He suggested that the opinion of the Court should also be sought, as to whether the three principles enumerated had, in whole or in part, been rendered obligatory for Roumania and Hungary by the acceptance of the Treaty of Trianon.

The Roumanian representative said that the acceptance of conclusions of the report would make possible arbitration between the parties; that he approved the principles set forth in the report and accepted them, provided that the Hungarian representative also did so.

The general feeling of the members of the Council was that the report constituted a basis for a friendly settlement, and it was decided to adopt it up to and including the recommendation that the Parties should conform to the principles set forth, but not including the recommendation to the Roumanian Government to reinstate its judge and the consequences attached to a refusal by the Parties to accept the report.

The Council felt that it was preferable not to ask the Hungarian and Roumanian representatives to give a final answer before referring the recommendations for careful and detailed examination by their Governments. It accordingly invited the representatives of the parties to bring these recommendations and the debates of the Council to the knowledge of their Governments so that the latter would be able to communicate their opinion to the Council before its December session. The Council would then be in a position to examine, if necessary, what measures should be taken.

The German and Netherlands representatives said that, if the parties did not accept the friendly settlement proposed, it would perhaps be advisable and useful to consult the Permanent Court of International Justice. The Italian, Colombian and Finnish representatives underlined the legal aspect of the question and the fact that the Council's decision was in the nature of a friendly intervention.

At the request of his colleagues the British representative agreed to remain rapporteur for this question, should it again come before the Council (1).

(1) In December, the Council adjourned this question, on account of the illness of the Roumanian Foreign Minister and also with a view to enabling the Roumanian Government to consider a proposal for direct negotiations between the Parties, submitted by the Hungarian Government, without prejudice to the legal position of the Parties and the decisions of the Council and the Committee of three.

MEMEL

On May 24th the German Government, in virtue of Article 17 of the Memel Convention, drew the attention of the Council to a petition signed by leading inhabitants of Memel, alleging infringements by Lithuania of the autonomy of the Memel territory (1). The German Government requested that this matter be included in the agenda of the Council.

The Lithuanian Government asked that the question be adjourned. Before the matter came before the Council, negotiations took place between the representatives of the Governments concerned, M. Valdemaras and Dr. Stresemann. The results were communicated to the Council on June 15th.

The Lithuanian Prime Minister, Professor Valdemaras, recalled that, in conformity with the recommendations of a Committee of Jurists, the Council in September 1926 had, as the result of the suggestions of the Lithuanian Government, defined the procedure to be followed in bringing to its notice alleged infractions of the Statute of the Territory.

This decision, he said, imposed on the Lithuanian Government the strict duty not to fail in the fulfilment of any of its obligations. The Lithuanian Government desired to declare that it was in no way its intention to leave the Territory of Memel without popular representation. It was fully conscious of its duty and of its responsibilities. The Government would, in consequence, take the appropriate measures for holding elections to the Diet at the latest by the month of September 1927.

Further he was glad to be able to state that the main difficulty which had delayed the holding of elections had been happily overcome. There had been disputes, more espe-

(1) Article 17 reads : « The High Contracting Parties declare that any Member of the Council of the League of Nations shall be entitled to draw the attention of the Council to any infraction of the present Convention. »

cially as to who was included in the electorate of the Memel Territory. This question had now been settled. The electorate, as far as the forthcoming elections were concerned, would be composed of Lithuanian nationals, who, in conformity with the provisions of Article 7 and the following articles of the Civil Code (BGB), had established themselves in the Territory of Memel. It was obvious that the electorate might be modified for future elections by a law for which provision had been made in Article 8 of the Memel Statute.

So far as the autonomy of the Memel Territory as defined in its charter was concerned, the Lithuanian Government, was, he said, firmly resolved to do all in its power to make it operative and allow it to develop on democratic lines as regards the electorate, the position of the Chamber and the formation of the Directory. The Lithuanian Government hoped to carry out this work in close co-operation with the Chamber of Representatives and with the Directory, which enjoyed the confidence of the Chamber and was responsible to it.

French 2 The German representative said that he did not wish to reply in detail to M. Valdemaras' remarks on the Council resolution of September. In consideration of the statement M. Valdemaras had just made he would not insist on further discussion of the question at the June session. He hoped that the measures which the Lithuanian Government had announced would bring about as soon as possible a situation in conformity with the Memel Statute.

Sir Austen Chamberlain, on behalf of the Council, noted with satisfaction the declaration of the Lithuanian representative, which, he said, had spared the Council the necessity of going into this question. He expressed the hope that the situation in Memel might soon become normal and that the Council would never again have to deal with the question.

The question was withdrawn from the agenda.

THE SALAMIS

On June 24th, the Greek Government submitted to the Council a request for an official interpretation of Articles 190 and 192 of the Treaty of Versailles, by any means at its disposal, such as a request to the Permanent Court of International Justice for an advisory opinion. These articles deal with the prohibition of construction and export by Germany of warships and naval material.

The case in point concerned a contract concluded before the war by the Greek Government with the Vulkan Works for the building of a cruiser bearing the name of "Salamis", and the Greek Government's request referred to a matter pending before the Greco-German Mixed Arbitral Tribunal, the Greek Government having applied to this Tribunal in order to obtain a decision cancelling the contracts it had signed in August 1914 with the Vulkan Works of Stettin.

In accordance with the request of the Greek Government, the question was included in the agenda of the forty-sixth session of the Council.

The German Government subsequently submitted a memorandum, in which it stated that it was unable to find any reason why the Council should take up this case.

The Council heard the representatives of both parties at its meeting of September 15th. The Greek representative, M. Politis, said that there was a difference of opinion between his Government and the German Government on the meaning of Articles 190 and 192 of the Treaty of Versailles and regarding the competent authority for the interpretation of the Treaty on this point. His Government considered that this difference of opinion constituted a preliminary question con-

nected with the private case laid before the Mixed Arbitral Tribunal, and that this preliminary question should be settled by the League.

M. Politis gave a historical summary of the case and its various phases—negotiations with the Vulcan Works; proceedings before the Mixed Arbitral Tribunal and the application to the Conference of Ambassadors—concluding that the Salamis affair was essentially a public and not a private question, and that the Council, which had inherited the powers of investigation and control formerly exercised by the Conference of Ambassadors, should seek the opinion of the Permanent Court on the meaning of Articles 190 and 192 of the Treaty of Versailles.

The German representative, Dr. von Schubert, drew attention to the conclusions of the German memorandum, stating that in his Government's opinion, there was no reason why the Council should be considered competent in this matter. The case was a question of private law between the Greek Government and a German limited company with regard to the execution of a private contract, and one which the Mixed Arbitral Tribunal alone had the right to decide. The rapporteur M. Urrutia (Colombia) observed that the question was difficult and complicated and demanded careful study. On his proposal the Council appointed the representatives of Italy and Japan, M. Scialoja and M. Adatci to assist him in preparing his report.

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On September 28th, the rapporteur, M. Urrutia, proposed, on behalf of the Committee of Three that the Permanent Court of International Justice should be requested to give an advisory opinion on the question whether the Council had competence to give effect to the Greek Government's request

for an official interpretation of Articles 190 and 192 of the Treaty of Versailles.

Nevertheless, after a protracted exchange of views on the question of its competence in the matter between the rapporteur and the German, Greek, Netherlands, Finnish, British, Italian, French and Japanese representatives, the Council decided to adjourn the question to December on account of its complexity and the important legal points involved.

In the interval between the sessions the legal advisers of the Members of the Council will study the legal aspects of the matter, in particular, the question of competence.

THE SITUATION IN CHINA

(a) *Statement on British Policy in China.* — On February 8th, the British Secretary of State for Foreign Affairs communicated for the information of members of the League a statement on the British policy in China.

The statement recalled that, since 1922, the British policy in China had been based on the letter and spirit of the Washington Agreements — namely, that the future policy of the Treaty Powers should be guided by certain general principles designed to safeguard the integrity and independence of China and to promote her political and economic development and the rehabilitation of her finances.

The British Government still adhered to this policy, as regards general principles. Its complete success, however, depended on cooperation between the Powers concerned and a single central Government in China, and subsequent events had modified the hypothesis on which it was based. The Foreign Secretary then set forth the circumstances which had led to his Government's decision, as a precautionary measure, to send to China such troops as might be necessary to protect the British community in Shanghai, adding that the composition of this force was in itself a guarantee that it could only be used for the defensive purposes for which it was exclusively intended.

This was only one aspect of the British Government's policy in China. It had further declared its readiness to negotiate on Treaty revision as soon as the Chinese themselves had constituted a Government with authority to negotiate. It had meanwhile formulated unilateral measures implying an immediate and radical modification of the Treaty

position, which it might under certain conditions be possible to take.

The statement emphasised that the policy of the British Government, as defined above, was a development, not a departure from that inaugurated at Washington, and concluded as follows :

In any case His Majesty's Government have felt it right to make this communication to the League of Nations so that its members may have before them a full statement of His Majesty's Government's policy in China and may understand how completely it is in accord with both the letter and the spirit of the Covenant. His Majesty's Government deeply regret that there does not appear to be any way in which the assistance of the League in the settlement of the difficulties in China can be sought at present. But, if any opportunity should arise of invoking the good offices of the League, His Majesty's Government will gladly avail themselves of it.

(b) *Communication from the Chinese Representative.* — The Chinese representative on the Council, acting on the instructions of the Chinese Foreign Office communicated to the Secretary-General, for his information, a copy of the note of the Chinese Minister for Foreign Affairs to the British Minister at Peking, dated January 31st, concerning the despatch of British troops to Chinese territory.

In reply to the Secretary-General's enquiry, whether the Chinese Government wished this note to be circulated to the Members of the League, the Chinese representative stated that the communication was for the information of the Secretary-General, to be kept in the official records of the Secretariat. He added, that the Chinese Foreign Office reserved its right to reply to the British Government's statement regarding its policy in China.

Revised Edition.

THE
LEAGUE OF NATIONS

A SURVEY

(JANUARY 1920-DECEMBER 1926)

Information Section
League of Nations Secretariat,
GENEVA.

NOTE

This pamphlet is one of a series issued by the Information Section of the Secretariat of the League of Nations on various aspects of League work.

Other pamphlets in this series deal with :

- The Constitution and Organisation of the League;
- The Permanent Court of International Justice;
- The Financial Reconstruction of Austria;
- Political Activities;
- Mandates;
- Financial and Economic Work;
- The Financial Administration of the League and the Allocation of Expenses;
- Disarmament;
- Health;
- Minorities;
- Transit and Communications;
- Danzig and the Saar;
- Intellectual Co-operation

and

Humanitarian Activities.

These pamphlets are issued for information purposes, and must not be regarded as official documents.

December 1926.

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A SURVEY OF THE LEAGUE OF NATIONS

CHARACTER AND DEVELOPMENT

The Early Days. — The Membership. — Admission of Germany. — Collaboration of Non-Members. — Extent of League Questions. — The Central Purpose. — The League's Character and Development. — Methods of Procedure. — Organisation. — Cost.

It is possible to draw varying conclusions from an analysis of the work and organisation of the League of Nations, and to have varying conceptions of the lines upon which the League should evolve. It is not the purpose of this pamphlet to enter into the realm of political philosophy, but, so far as possible, to give a brief, succinct and positive account of how the League has developed, what it has done, and how it has done it. Whatever deductions may be drawn from a more detailed study, it should at least be evident from this account that it has been a crowded seven years since the first session of the Council on January 16th, 1920.

This meeting, like that of the First Assembly in the same year, was summoned by the President of the United States in accordance with the terms of the Covenant. The Council met under the shadow of international relations which remained greatly disturbed after the upheaval caused by the war and in the midst of considerable financial and economic disorder. Feeling still ran high; in fact, conditions of this kind prevailed during most of the more critical formative period of the League, and in addition to this, the refusal of the United States to ratify the Treaty of Versailles including

the Covenant, modified the hopes that had been entertained of the League's immediate influence in the world. Though the effect of the absence of the United States has in some respects been considerably exaggerated in its relation to actual accomplishments, America's defection has made the League's development at least slower and more difficult. It was not unnatural that the first meeting of the Council made but little echo in the world, and its one item of business was the appointment of three members of the Saar Frontier Delimitation Commission. In truth, little was expected from the League in the circumstances and at the time, but the Council continued month by month, building up the League's organisation, preparing the ground for the more extended activities which were to follow, creating the procedure for meeting the obligations imposed upon the League by the Covenant and the Peace Treaties, and undertaking some valuable, but perhaps minor, tasks of the moment.

As experience has proved, it laid appropriate foundations for the future and later began to give rise once more to expectations which could not be rapidly realised, and which perhaps failed to take account of the enormous problems ahead. The Council of the League summoned the first really international meeting after the war — the Brussels Financial Conference; it set about its task of creating the Permanent Court of International Justice; it soon had before it one or two serious political disputes, such as that between Poland and Lithuania; and the series of reports presented to the first Assembly in the same year shewed ten months of notable preparatory work during a difficult period.

By the first Assembly in November 1920, the number of States Members of the League was forty-two, including all the thirteen former neutral States invited by the Peace Conference to adhere. At this Assembly six new States were admitted, including Austria; at the second Assembly three more States; at the third Assembly, Hungary; at the

fourth Assembly, Ethiopia and the Irish Free State; at the Fifth Assembly, San Domingo; and at the Seventh Assembly, Germany, bringing the total present membership to fifty-six States.

On January 1, 1925 Costa Rica gave notice of intention to withdraw from the League. Brazil and Spain also gave notice on June 12, 1926 and September 8, 1926 respectively. In accordance with the Covenant such withdrawal takes effect two years after the date of notification.

The first definite step in relation to Germany's membership of the League took the form of a communication to the League from the German Government in December 1924 notifying that Government's desire to seek early admission to the League. At the same time the Government asked for an exceptional position in relation to Article 16 because of the military situation of Germany resulting from the Treaty of Versailles. The Council considered this question at its meeting in March 1925 and sent a reply, explaining that the character and extent of a Member's active co-operation in military measures undertaken by the League must vary with the military situation of the Member in question, and that it was for States Members themselves to say to what extent they were in a position to comply with the recommendations of the Council. In conclusion, the Council, while considering any special position for Germany as incompatible with membership of the League and of the Council, expressed its sincere wish to see Germany associated with its labours and thus play in the organisation of peace a part corresponding to her position in the world.

The definite and formal application from the German Government for membership of the League was received in the first days of February 1926 following upon the signature of the Locarno Treaties on December 1, 1925. The Council, meeting in extraordinary session, decided to summon a special meeting of the Assembly which took place on

March 8, 1926. The First Committee of the Assembly adopted a report in favour of the admission of Germany, but as differences of opinion arose in the Council with regard to the assignment of new permanent seats in the Council, additional to the permanent seat for Germany, the Assembly decided to postpone the matter until its ordinary session in September.

Meanwhile, a Committee was appointed by the Council including, besides the members of the Council, representatives of the Argentine Republic, China, Germany, Poland and Switzerland, to study the problems connected with the composition of the Council and the number and mode of election of its members, and to consider claims for permanent seats made by Brazil, China, Spain, Poland and Persia.

At the first meeting of the committee draft regulations were adopted with regard to the number and method of election of non-permanent members, reservations being made in regard to the whole draft by the Spanish and Brazilian representatives. The Committee adjourned to its second meeting all decisions regarding any increase in the number of the permanent members. This second meeting took place at the end of August; the Brazilian Government, which in June had given its two years' notice of intention to withdraw from the League was not represented. The Committee adopted a final draft for the number and method of election of the non-permanent members of the Council, the Spanish representative abstaining from voting. The Committee did not find it possible to submit to the Council any proposal which would involve creating additional permanent seats apart from that which the Committee unanimously recognised should be occupied by Germany. It was the view of the Committee that the changes which the draft rules made in the organisation of the Council would enable the Assembly to give satisfaction to the special claims of certain countries to representation on the Council for an extended period.

The Council approved the report of the Committee on September 4. On the same day it decided unanimously to appoint Germany a permanent member of the Council upon her entry into the League, and to increase to nine the number of non-permanent seats. These two proposals were put before the Assembly and accepted on September 8, immediately after Germany's admission to the League (1).

Germany, having been notified of her election, took her seat in the Assembly on September 10. The President, in welcoming the presence of the German delegation as a new pledge for the success of international co-operation in the cause of peace, described Germany's admission as a happy and memorable event. Dr. Stresemann, the German Foreign Minister, in his address to the Assembly said it was surely an event of historical importance that Germany and the States who were allied against her during the great war were now brought together within the League in permanent and peaceful cooperation. It was a fact which indicated more clearly than any mere words or programmes that the League might in very truth be destined to give a new direction to the political development of mankind. Germany desired to co-operate on the basis of mutual confidence with all the nations represented on the League or on the Council.

M. Briand, Foreign Minister of France, said the meeting was a moving and comforting spectacle when they realised that only a few years after the most frightful war which had devastated the world the same peoples who were hurled in combat against each other were meeting in that peaceful assembly and expressing their common will to collaborate in the work of peace. It was specially those peoples who had not always been in agreement who had most need of the League of Na-

(1) The proposals concerning the method of election and tenure of non-permanent seats were referred to an Assembly Committee, whose final report was adopted (see Page 19).

tions. The words of collaboration which Germany and France had exchanged in a like spirit of sincerity should be marked with a white stone. The League had that day taken a step forward, and its future would be one of constant expansion. He was glad to have taken part in an event which he was sure would take a great place in history. It was for them to ensure that no imprudence on the part of any of them would endanger the hopes of the peoples of the world.

The Spanish Government's notice of withdrawal from the League was received by the Secretary-General on September 11. The election of the non-permanent members took place on September 16; and the new Council held its first meeting on the same day.

The relations of the League with the principal non-member States have also made progress. The United States, both officially and unofficially, have participated in many aspects of the League's work. Germany, before she joined the League, took part in many League Conferences and is represented on several regular League bodies. Russia has attended several meetings, and has had contacts with the League in connection with the repatriation of prisoners, prevention of epidemics, and the study of health questions : she sent her Commissaire of Public Health to a Conference at Geneva, and a naval representative to a League meeting of naval experts. Turkey has attended the Council on several occasions for the consideration of matters in which she is concerned, has been represented at various League conferences, and gave an indication at the Lausanne Conference that she would later apply for admission.

The extent of the work and authority of the Council to-day compared with that in 1920 is at least as notable as the comparison between the membership at these two periods. Within that time, the States Members have organised the League in most branches of international life and

have built up a system adaptable to all that could reasonably be demanded of it. The extent of the existing demands is not generally appreciated. The League is closely woven into the constitutional and political life of the world, and there is no quarter of it which has not in some way been concerned. In the first place, its membership embraces all Asia except Turkey and Afghanistan, all Africa except Egypt, all North and South America except the United States, Mexico and Ecuador, and all Europe except Russia. The government of vast areas and large populations of the world, under the Mandates system, is carried on in the name of the League and under its supervision. Millions of minority populations spread throughout Europe are placed under the protection of the League. The League is mentioned time after time as a body of reference in the peace treaties; new agreements and treaties are frequently extending these references. The constitution of the Free City of Danzig is placed under the protection of the League, which is permanently represented by a resident High Commissioner. The League is responsible for the government of the Saar Basin and appoints the Governing Commission. There is scarcely a part of Europe where it has not exercised some influence by decisions which it has been called upon to take on political questions, and in its international conventions on trade, transit and commercial matters, in its health and social work it affects every part of the world in one form or another.

It had a resident Commissioner General in Austria for purposes of the Financial Reform Scheme, and a similar representative in Hungary for the Hungarian Reform Scheme. There is a Refugee Settlement Commission in Greece, and the League has appointed a Commissioner for the Bulgarian Refugee Scheme. It has taken practical interest in the care of some hundreds of thousands of refugees, largely Russian, scattered all over Europe. It has sent commissions of enquiry to a large number of countries on political and other

matters; it has had health meetings, not only in Europe, but in the Far East, and in both North and South America. It has laboriously studied general questions (of which security and the reduction of armaments is the most important) that are the concern of the whole world.

The central purpose of the League is the preservation of peace. This is a constructive and not a negative obligation, as is shown in the efforts which have been made and are still being made to build up plans to cover the greatest possible number of eventualities that might lead to war, as well as in the gradual evolution of League practice in applying the peace preservation provisions of the Covenant. All that has been done for security, arbitration and reduction of armaments, all the League's political activities, all the work of economic reconstruction and the impetus which the League has given to the effective conciliation agreements which have been concluded between various States, are positive elements of this problem of preserving peace by peace organisation.

The guiding principles of the Covenant itself are conference and delay. The States Members undertake not to go to war at least until certain prescribed methods of peaceful procedure have been tried, then not to go to war in any circumstances until at least three months after the result of the enquiry is known, and in no case to go to war against a unanimous decision of the Council (excluding the votes of the States concerned). If there is any danger of rupture, States undertake to proceed either through the Permanent Court or some form of arbitration, and if neither of these courses is followed, there is an obligation to submit to enquiry by the League. Parties to a dispute, whether they are members of the Council or not, or even when not Members of the League, may participate in the discussions of disputes in which they are concerned. Thus, if direct negotiations fail, States have a choice of judicial decision by the Court, settle-

ment by arbitration, or mediation by the Council or Assembly.

The League cannot impose decisions upon States without their consent; it cannot interfere in matters of national domestic concern; no initiative within the League and no League decision can be taken except on the part of the Governments representing the States Members of the League; and such penalties as are provided for do not apply to failure to carry out a decision but only to *resort to war* in positive breach of the Covenant.

The rest of the work and duties of the League are directed towards a similar strengthening of the structure of peace. The regular international co-operation which has been organised in economic, financial, transit and trade matters, in the promotion of public health, the extension of intellectual relations, the suppression of abuses like the illicit traffic in opium and the traffic in women, and in other questions, means not only progress in these separate subjects themselves, but a general extension of international contacts and closer understandings in many spheres of action.

In considering the work and characteristics of the League on this basis, sufficient account is not always taken of the evident fact that difficulties and complications, national interests, and differences of national outlook and temperament do not disappear because of the existence of the League. The intrinsic difficulties do not cease to be intrinsic difficulties when they come to the League. The States Members of the League have severally the same interests and desires whether working through the League or outside it, and when their differences become matters of League concern, States do not concede all that they desire in a gesture of complete self-abnegation. On the contrary, the League is the application of a system calculated to make the settlement of problems and disputes less difficult. It is a composite association of States which must take into account the wishes and

interests of all its Members; its business is to discover and explore such common ground as exists; it has no power to impose a collective will, but only opportunities to elicit general consent; in short, it is not a form of government but a form of co-operation; for while, on the one hand, it may not abandon the idea of progress in the spheres for which it was created, it has to take account of the prevailing tendencies of the Governments of which it is composed.

This does not imply that agreement must regularly be achieved between all States in the League. In disputes, rarely, if ever, are the interests of all States concerned, except in so far as the maintenance of good relations is the concern of the whole world. In other general questions, it is sometimes the case that some States have no particular interests and are ready to accept what other States agree upon. But the common ground has to be discovered on some of the wider issues of progressive international work, because one or two abstaining countries may make it difficult if not impossible for others to go ahead.

The League is a governmental organisation, and while every possible opportunity is taken to secure the collaboration of representative unofficial bodies, the final authorities in all League matters are the Governments and Governments alone.

One of the outstanding characteristics of the League organisation is its permanence, which makes progressive research and discussion customary and natural, month by month, and year by year, in the ordinary course of regular business. If a difficult general problem like security or the equitable treatment of commerce, or if a complicated special problem like that of double taxation, cannot, through political or other considerations, be finally solved at a given conference, the study of it still continues on an international basis. Expert committees carry on and progress is made where matters are ripe for progress pending ultimate action on a problem as a whole. This makes for steadiness and

thoroughness, and by the existence of this continuous effort immediate lack of success does not of itself imply immediate failure.

The prudent evolution which is thus made possible may be illustrated in one or two broad connections.

One of the first steps taken by the League was to summon the Brussels International Financial Conference in 1920, at which various financial principles were unanimously formulated. No obvious results appeared until 1922, when the League was asked to assist Austria. In doing so the League was able scientifically to apply the principles of Brussels to the particular case of Austria, and when, at the end of 1923, a similar request came from Hungary, the League was able to adapt to Hungary not only the principles of Brussels but the proved results of Austria. These steps were not without their influence in the general progress towards peace and prosperity when the authors of what is known as the "Dawes Report" were able to avail themselves of the League's experience in producing their scheme for application to Germany.

The same consistency of doctrine is to be found in the way the League has dealt with the financial features of the Greek and Bulgarian Refugee Settlement Schemes, with the arrangements made which enabled a loan to be raised for municipal and harbour works in Danzig, and in the several instances where other Governments have come to the League for financial advice. Operation through the League in an international way for the raising of reconstruction loans avoids the necessity that otherwise occasionally arises of making concessions of one kind or another to particular governments or organisation lending such assistance.

Another illustration of gradual and logical progress is to be found in the whole group of subjects coming under the heading of international law and arbitration. Having, as one of its first and most representative tasks, set up the Permanent Court of International Justice, the League sub-

sequently appointed an international committee of jurists representing all forms of law to study the progressive codification of international law. This is a prolonged and difficult undertaking and the attention of the committee is being devoted to exploring subjects upon which the conclusion of international conventions appears practicable and desirable. The extension of the jurisdiction of the Permanent Court of International Justice has been developed and the League has devoted close attention to the possibilities of extending arbitration procedure.

The 1922 Assembly recommended the Members of the League, subject to the rights and obligations of the Covenant, to conclude conventions with the object of laying their disputes before conciliation commissions formed by themselves. The Assembly expressed the hope that the competence of these commissions would extend to the greatest possible number of disputes and that the practical application of them would in the future make possible the arrangement of a general convention open to adhesion by all States. It was suggested that, apart from the other means placed at its disposal by the Covenant, the Council might, if necessary, have recourse to the service of such conciliation commissions. It might invite the parties to bring their disputes before one of these commissions or might refer to the commission any dispute submitted to it by one of the parties. The Assembly at the same time drew up a series of rules as a guidance to the States. Agreements since concluded between Sweden and Switzerland, Italy and Switzerland, France and Switzerland, France and Czechoslovakia, and others, are definitely inspired by these recommendations, or in broad relation with them, and in some cases provision is made for the complete elimination of resort to war—that is to say, the agreed peace procedure covers every possible case.

The most important development in this general direction is contained in the Treaty of Mutual Guarantee and the

Arbitration Treaties drawn up at Locarno in October 1925, and brought into force after Germany's entry into the League by the deposit of ratifications at the League Secretariat. They may be fairly considered as an endorsement and outgrowth of the patient endeavours of the Assembly, the Council and other League bodies towards the maintenance of peace by the application of the Covenant, by conciliation and arbitration, by mutual guarantees of security, and by the reduction of armaments.

M. Briand, at a Council meeting a few weeks after the agreements were made, said that if the negotiations had been crowned with success, it was due to the fact that from beginning to end the utmost care had been taken to conduct them in the spirit of the League and its Covenant, and that they were guided by all the previous work of the League. The fundamental principles of the agreements, the procedure initiated, and their operation are based on the Covenant of the League, on the system of conciliation set up in 1922, and on the working of the various organisations of the League, in particular of the Council and the Permanent Court of International Justice.

All this work is linked up with the great problems of security and disarmament which have been systematically and continuously explored by the League from the beginning. It is not final or complete, but the League, by its steady accumulation and analysis of information, its prolonged discussions and its tentative schemes has helped in clarifying the problem and has provided definite elements of progress. Its attention will probably be devoted to the subject in some form or other for a considerable period yet to come and its immediate and active endeavour is to complete preparations for a conference on the reduction and limitation of armaments.

The brief record of the League's activities given in the following chapters shows how the League has dealt with

matters submitted to it. In its consideration of particular disputes the Council has increasingly followed the practice of entrusting the preliminary investigations to committees or commissions composed of disinterested individuals so that it may have an objective view of the circumstances before it in reaching its final decision. In the case of the Upper Silesian dispute, these preliminaries were in the hands of a committee of the Council composed of representatives of Governments which had not been previously concerned in the matter, and in the cases of Memel, Mosul, Albania the Greco-Bulgarian conflict, the Aaland Islands, special impartial commissions were set up to investigate all the circumstances and report to the Council. It also sets up from time to time temporary committees for special questions like the committee on slavery, the special committee on double taxation, the special committee on the extent of the international traffic in women and children, the special committee on the codification of international law, etc. Another type of temporary committee is represented by those set up to prepare general Conferences, as for example the preparatory committees for the disarmament and economic conferences, of that which preceded the opium conference. Several times, as in the case of the Polish-Lithuanian dispute over Vilna and the Hungarian-Roumanian dispute about Hungarian optants, the Council has endeavoured to conciliate differences by direct negotiations under the chairmanship of one of its members. It has, from time to time, invoked the complete impartiality of the Permanent Court of International Justice for legal advice, which in nearly every case has provided a basis of settlement.

Another characteristic is the team work of the various League bodies; that is to say, if a problem like that of Austria, Upper Silesia, or Memel, has not only political but also technical features, the technical committees of the League, financial, economic, or transit, are called in for advice. The

Council holds in its own hands the general bearings of the problem and is able to consider it in the light of the technical necessities which present themselves to the minds of the technical committees; this regularly available assistance has proved of great service to the Governments of the League. There has, in fact, grown up a considerable League technique not only in political but in other directions which makes for smooth working and better chances of success.

All decisions and reports are published; most of the discussions of the Council and all the discussions of the Assembly are held in public.

For a clear understanding of the actual record of the League, it is perhaps necessary to give a few essential indications upon the organisation (1).

The main organs are the Assembly, the Council, and the permanent Secretariat, with the two essential wings in the Permanent Court of International Justice and the International Labour Organisation. Both the Council and the Assembly possess a large degree of independent authority and each body may deal with any matter within the sphere of action of the League or affecting the peace of the world. In practice, the Assembly has become the general directing force of League activities. The Council deals with special emergencies and with current work throughout the year; it has in fact become the League's executive organ.

Under the new scheme put into operation in September 1926 the Assembly, at its ordinary session each year, elects three non-permanent Members for three years, and they take office immediately on election. A retiring Member is not eligible for re-election during the three years following

(1) For fuller analysis, reference should be made to the pamphlet in this series dealing with the constitution and organisation.

the expiration of its term of office unless the Assembly on the Expiration of a Members term of office on during the course of the three years subsequent to its period of office, decides by a two-thirds majority of the votes cast that such a Member is re-eligible. A vote on re-eligibility is taken only at the request of a member itself. The number of members re-elected in consequence of having been previously declared re-eligible is restricted so as to prevent the Council from containing at the same time more than there re-elected Members. Notwithstanding these provisions, the Assembly may at any time, by two-thirds majority, decide to proceed, in application of Article 4 of the Covenant, to a new election of all the non-permanent Members of the Council.

Several temporary provisions were made to meet the special situation of 1926. Amongst them was one which gave power to the Assembly to declare immediately at the beginning of their terms of office a maximum of three states re-eligible on the expiry of their terms instead of leaving such a declaration, as provided for in the general and normal rules, until after the expiration of the terms of office. One State only, Poland, submitted a request for re-eligibility under this temporary provision and was declared re-eligible. In order to enable the scheme to be brought into effect, three members were elected for three years, three for two years, and three for one year. The Council is now composed of five permanent Members (British Empire, France, Germany, Italy and Japan) and nine non-permanent Members (Belgium, Chile, China, Colombia, Czechoslovakia, Netherlands, Poland, Roumania, Salvador) elected by the Assembly.

The Assembly consists of not more than three representatives of all the States Members of the League and meets annually in September. The delegates at the 1926 meeting included two Premiers and seventeen Foreign Ministers.

The Secretariat is a permanent body established at the seat of the League and deals with what might be called the

civil service duties of the League. It is divided into sections according to subjects and not according to nationality, and is responsible to the League as a whole. Forty-five nationalities are now represented.

The Permanent Court of International Justice (set up by the League) and the International Labour Organisation are autonomous bodies, but their budget is voted by the Assembly, and the Judges of the Court are elected by the Council and Assembly.

A number of auxiliary bodies exist under the general control of the Council and the Assembly for questions of a more or less technical kind, and the corresponding sections in the general Secretariat serve as their particular secretariats. These special organisations and committees exist under the following heads : Finance and Economics, Transit, Health, Armaments, Mandates, Opium, Protection of Children and Young Persons, and intellectual Co-operation. They consist generally of government experts or acknowledged national experts outside government departments, and the list of members of League Committees shows a remarkable range of authorities from most of the countries, freely devoting their attention to international co-operation. There is also frequent collaboration with representative international voluntary associations. During the past two years there has been an average of about two meetings a week of one kind or another.

The League is maintained financially by the States Members and the share of expenses is allocated between them on a carefully adjusted basis which aims at distributing the shares in accordance with relative wealth and capacity. The budget is under the final control of the Assembly and all the financial arrangements and estimates are subject to rigid and detailed supervision at different stages throughout the year. The whole expenditure involved in meetings of the Council, Assembly, standing committees, the Governing Body of the

International Labour Organisation, its conferences, the cost of maintenance of the Permanent Court of International Justice at The Hague and the salaries of the judges, the salaries of the secretariats of all three Organisations, the costs of enquiries undertaken and special commissions appointed, gives an annual average of about £900,000 sterling.

Excluding capital expenditure and working capital, the average for current expenses works out at about £815,000 sterling divided as follows : League of Nations, £460,321; International Labour Organisation, £283,000; Permanent Court of International Justice, £72,296.

CHAPTER I

POLITICAL DISPUTES

Aaland Islands Settlement. — Poland and Lithuania. — Upper Silesia. — Albania and the League. — The Frontier between Poland and Czechoslovakia. — Memel. — A Franco-British Dispute. — Eastern Carelia. — The Italo-Greek Dispute. — The Frontier of Iraq. — The Greco-Bulgarian Conflict. — Abyssinian Protest.

A considerable portion of the work, not obviously defined as political, does nevertheless involve political considerations. The schemes, for example, for the reconstruction of Austria and Hungary had to take serious account of political factors which had to be settled simultaneously with the more technical and financial factors, but, for purposes of

simple classification, a rough line can be drawn between the political and the other aspects of League work.

This group of political cases may be considered from two points of view, the first of which is their intrinsic importance as disputes threatening the maintenance of peace and good international relations, and second, their illustration of the new methods of conciliation procedure introduced into international practice on the principles accepted in the Covenant. Varying in importance, most of them are in one way or another traceable to consequences of the war, and many of them were brought before the League under Article 11 of the Covenant, which declares it to be "the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever which threatens to disturb international peace, or the good understanding between nations upon which peace depends". This article thus permits a third party to bring forward a dispute, without implying unfriendly action.

Aaland Islands Settlement.

It was the friendly intervention of a third party, namely, the British Government, which brought before the League the dispute between Sweden and Finland over the Aaland Islands. The matter arose as part of the general re-adjustment that took place around the Baltic as a result of the war. The majority of the Islanders appeared to desire union with Sweden, and the Swedish Government, which supported these claims, endeavoured to negotiate with Finland on the subject. The Finnish Government, however, held that Finland's sovereignty over the Islanders was indisputable, and the conflict of views became increasingly bitter. The British Government called the attention of the Council to the matter under Article 11, and both Sweden and Finland consented to the Council's mediation. Sweden, although not a member

of the Council, took her place under Article 4 of the Covenant, according to which "any member of the League not represented on the Council shall be invited to send a representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that member of the League". Finland, who was not at that time a member of the League, was given a seat on the same terms by a special resolution of the Council, in which Sweden concurred, in the spirit of Article 17 of the Covenant, which states that in circumstances of this kind a non-Member State "shall be invited to accept the obligations of membership in the League for purposes of such dispute and upon such conditions as the Council may deem just."

At a special meeting of the League Council in London (July 1920) Finland at once claimed that the differences between the Aaland Islanders and the Finnish Government were a matter solely within the domestic jurisdiction of Finland, and that under Article 15 of the Covenant the Council was, therefore, not competent to deal with it. As the Permanent Court of International Justice was not then in existence, the Council, with the concurrence of both countries, appointed a commission of three international jurists—a Frenchman, a Dutchman and a Swiss—to give an advisory opinion on the point, and on the basis of the jurists' report, the Council declared itself competent to deal with the case. It then sent a Committee of Inquiry, comprising a Belgian, a Swiss and an American, to examine the situation on the spot and to recommend a solution. Upon receipt of and in conformity with their report and after hearing the views of all sides, Swedes, Finns and Islanders — the Council decided that Finland's claim for sovereignty ought to be recognised, but that Sweden's claim for the preservation of the Swedish character of the Islanders should be met by a detailed series of guarantees. This solution was accepted both by Sweden and Finland, and was followed by a convention drawn up

as part of the settlement proposed by the Council at a ten-Power Conference at Geneva, providing for the neutralisation and demilitarisation of the whole archipelago. This agreement is in operation and it provides that the League shall be mediator in any differences to which it may give rise.

Polish-Lithuanian Dispute.

The Eastern boundaries of the Polish State were left undetermined by the Treaty of Versailles and were to be fixed at a later date. Difficulties arose between Poland and Lithuania, a newly created State, over the provisional line which had meanwhile been drawn (the so-called Curzon line). Poland complained that Lithuanian forces had crossed that line, and the Council's first effort at its meeting in September 1920 was to avert the hostilities which were imminent between the opposing forces. It sent a military commission of control to assist in this purpose on the spot, and this commission secured an agreement provisionally fixing the respective positions of Polish and Lithuanian forces without prejudice to ultimate definition of the frontier, which, in default of an agreed solution with the consent of both parties could be ultimately fixed, not by the League, but, as regards Poland at any rate, by the Principal Allied Powers under the terms of the Treaty of Versailles. Almost immediately following this step, in October 1920, General Zeligowski, a senior Polish Officer, crossed the line of demarcation, which had been agreed upon under the auspices of the Commission of Control, and entered Vilna at the head of a considerable force, establishing a provisional régime under the name of the Government of Central Lithuania. The Polish Government declined all responsibility and repudiated General Zeligowski, but asserted that it was not in a position to send troops against him, as his action was unanimously approved by Polish public opinion. Hostilities

were avoided by the success of the Commission of Control in getting three neutral zones established for the purpose of separating the opposing forces, and the Council then turned its attention to an effort to settle the territorial dispute, both countries claiming the town of Vilna and the surrounding district. The Council successively tried three different methods: 1) A referendum of the population; 2) direct negotiations between the representatives of the two States under the presidency of a member of the Council; 3) a recommendation on the lines of Article 15 of the Covenant.

The League, in attempting a plebiscite based on General Zeligowski's withdrawal, sent a Civil Commission to the territory to take all necessary measures for its preparation, and decided to send a small international police force to keep order in the districts to be evacuated by General Zeligowski's troops. Great Britain, France, Belgium, Spain, Sweden, Denmark, Norway and Greece offered contingents, and the Netherlands Government signified its readiness to lay a bill before Parliament authorising it to add a detachment to those of the other powers. The troops, however, were never sent, as so many difficulties arose that the Council had to abandon the project, considering that in view of the long delay that had elapsed a fair expression of opinion had been made impossible.

The Council then took the second step in its conciliation efforts. It suggested direct negotiations between the two Governments at Brussels, under the presidency of M. Hymans, the Belgian representative on the Council, in order to arrive at an agreement to settle all territorial, economic and military questions in dispute. After an exchange of views, M. Hymans drew up a preliminary scheme of settlement, whose general principles were the constitution of the Vilna territory as an autonomous canton, on a basis similar to that of the Swiss constitution, within the Lithuanian State, and a political, military and financial understanding between

Poland and Lithuania. The observations of the two Governments on this draft were such as to lead to the suspension of negotiations. The Council, at its meeting in June 1921, considered that M. Hymans' draft was calculated to lead to an agreement, and invited the governments to resume negotiations upon its basis. But the Lithuanian Government declared itself unable to accept the scheme, while the Polish Government insisted upon the necessity first to consult the population of the Vilna districts. M. Hymans laid before the parties at a meeting in Geneva a slightly modified draft of the original proposal without, however, any further success, and he had to inform the Council in September of the same year, that his efforts to induce the two Governments to accept the solution had not been successful.

It was at this stage that the Council resorted to its final effort. This took the form of a recommendation urging the two countries to accept M. Hymans' scheme, which the Council itself unanimously adopted, and the Council requested M. Hymans to explain the circumstances to the Assembly which was at that time in session. A full debate ensued, and the Assembly called upon the two countries to reach an agreement, but without effect.

The League's action had, therefore, to come to an end. The Council failed in its attempts to secure agreement by conciliation—it had no authority under the Covenant finally to settle the question—but its action over a period of two years had, at least, prevented the disputed areas from becoming the scene of serious armed conflict.

At the beginning of 1923 the Council received repeated complaints from both parties concerning the state of disorder prevailing in the neutral zone which had been created in the autumn of 1920 between Polish and Lithuanian forces. The Council finally decided in February 1923 to have it replaced by a provisional line of demarcation, although

the validity of such a decision was disputed by the Lithuanian Government, which had asked for the perpetuation of the neutral zone under a League Commission.

Eventually, in the early months of the same year the Conference of Ambassadors, in the exercise of the right reserved to the Principal Allied and Associated Powers under Article 87 of the Treaty of Versailles, determined the Eastern frontiers of Poland, including the Vilna district within them.

Upper Silesia.

The Treaty of Versailles, Article 88, contains a provision that a frontier is to be traced by the principal Allied Powers in German Upper Silesia in accordance with the wish of the population as indicated by a plebiscite, and taking account of geographical and economic circumstances. The plebiscite took place in March 1921, but neither the Supreme Council, the members of the Plebiscite Commission, a Committee of Experts, nor the representatives of the Governments on the Supreme Council were able to agree as to how the new frontier should be traced. Difference was sharpest on the attribution of the so-called "industrial triangle" of Upper Silesia. Polish insurrection had broken out in Upper Silesia, and feeling was not only intense in Upper Silesia itself, but the discussion amongst the Allied Powers also became embittered, and negotiations reached a complete deadlock; European tension, in fact, was considerable, and there was a risk that the question might lead to a rupture between the Allies, and hostilities between Poland and Germany.

At the last moment the Supreme Council, in August 1921, wrote to the President of the Council of the League of Nations, submitting the question to the League and inviting the Council to recommend a solution which the Allied Powers

could adopt. This reference to the League was made under Article II of the Covenant, and the covering letter added that the Governments represented in the Supreme Council would consider themselves bound by the recommendation of the Council of the League. The Council met in extraordinary session on August 29th, and the mere fact of this reference to the League led to an immediate relaxation of tension. The preliminary examination of the problem was entrusted by the Council to the representatives of Belgium, Brazil, China and Spain—States which had taken no part in the previous investigation or discussions—with authority to seek such information and expert advice as might be considered necessary, including the hearing of inhabitants, both German and Polish, of the territory. This Committee of Four was obliged, under the provisions of the Treaty, to take into consideration both the wishes of the inhabitants, as shown by the plebiscite, and the geographical and economic conditions of the country. It came to the conclusion that it was not possible to solve the problem merely by drawing a frontier line having regard solely to the plebiscite, to economic considerations, or to a compromise between the two methods, and it therefore decided to recommend that whatever new frontier line were adopted, there should be guarantees against any dislocation of existing economic conditions for a period sufficient to permit the economic system to be adjusted gradually to the new state of affairs. For this purpose it applied to two experts, a Swiss and a Czechoslovak, who were members of the technical organisations of the League. The Council of Four, while the experts were at work, endeavoured to determine a frontier line attributing to each country a number of inhabitants in proportion to the votes recorded in its favour, and equalizing as far as possible the minorities unavoidably left on both sides. Within a period of six weeks, the Committee was able to submit a recommendation which was unanimously adopted by the full Council. The frontier

line was thus based as far as possible on the data of the plebiscite, while economic unity was preserved by a series of detailed economic proposals and guarantees.

The decision was immediately accepted by the Allied Powers, which asked the Council to take charge of the subsequent negotiations between Germany and Poland for ensuring the continuity of the economic and social existence of Upper Silesia for a period of 15 years, as proposed by the Council recommendations. M. Calonder, former President of the Swiss Federation, was selected by the Council to preside over the negotiations which, after a period of six months, resulted in complete agreement in the form of a German-Polish Convention of over 600 articles. In accordance with the unanimous wish of the German and Polish delegations, the Council appointed M. Calonder and Professor Kaeckenbeeck (a League official who had assisted in the conduct of the negotiations) to the two principal posts under the Convention. Provision is made in the Convention for intervention by the Council of the League in certain questions and the competence of the Permanent Court of International Justice is admitted in several cases.

The period of transition hitherto has passed smoothly and without any interruption of the economic life.

Albania and the League.

The undetermined nature of the frontiers of Albania was the cause, as in the majority of political disputes brought before the League, of differences considered at various times by the Council and the Assembly. Although the political and territorial status of Albania had not been clearly defined at the time of the first Assembly of the League in 1920, the Assembly unanimously admitted Albania to the League as a step in the interests of peace in general and of the peaceful progress of Albania in particular. In April 1921, the Alba-

nian Government drew the attention of the League to the fact that Albania's frontiers, which it contended had been fixed at the Conference of Ambassadors of the great Powers held in London in 1913, after the Balkan War of 1912-1913, were being encroached upon by Serbia and Greece, and requested the League to obtain the evacuation by these two countries of the territories thus occupied. The Conference of Ambassadors was at the time dealing with the question of Albania's frontiers, which it considered not to have been definitely fixed in 1913. The Council felt that it was unadvisable to take up simultaneously the work being done by the Ambassadors Conference, but asked the Conference to take a decision with the least possible delay, meanwhile requesting the three States concerned to abstain from any act calculated to aggravate the situation.

The question remained unsettled when the second League Assembly met in September 1921, and Albania again raised the subject, which, with the consent of the Council, was referred to the Assembly. The Assembly, recognising that the sovereignty and independence of Albania had been established by her admission to the League, recommended Albania to accept the decision of the Principal Allied Powers which were generally regarded as the proper authority to settle the frontiers of Albania, and in fact were on the point of so doing. In view of the conflicting allegations of the three States, the Council, at the Assembly's request, appointed a committee of three impartial persons from Luxemburg, Norway and Finland, to proceed to Albania to report fully on the execution of the decision of the Principal Allied Powers.

The Commission arrived in Albania in November of the same year, but before its arrival, on November 7, the British Government, having learned that Yugo-Slav troops had entered the Mirdite district of Northern Albania as a result of unrest in this area, and considering this event to be of a nature to disturb international peace, requested the

Secretary-General to summon a special meeting of the Council under Article 11 of the Covenant, to consider the situation and to agree upon measures to be taken under Article 16 of the Covenant should the need arise. The British Government at the same time informed the Council that the Conference of Ambassadors had now fixed the frontiers of Albania, and that their decision would at once be notified to the interested parties.

At the meeting of the Council on November 18th, 1921, which was attended by the representatives of the Serb-Croat-Slovene Kingdom and of Albania, the Serb-Croat-Slovene Government declared its readiness to respect the frontier fixed by the Conference of Ambassadors, and immediately to evacuate its troops from all territories, thereby recognising them as belonging to Albania. The Commission of Enquiry reported on December 10th that the evacuation had taken place.

The Commission remained in Albania for some three months longer investigating various questions and making certain recommendations connected with the frontier problems, which were subsequently carried out by the technical Frontier Committee appointed by the Conference of Ambassadors. It returned to Geneva in May 1922, having accomplished the principal object of its mission, and Lord Balfour, the representative of Great Britain on the Council, declared that "no corporate body, no nation, no statesman in the world, could have carried out what had been effected, except the League of Nations."

At the request of the Albanian Government, one member of the Commission returned to Albania where he remained for a year, studying the general economic, political and social conditions of the country in collaboration with the Government, and the Council subsequently nominated a financial adviser whose contract, however, was terminated at the end of the first year on the initiative of the Albanian Government.

The League Health Organisation has also given assistance to Albania, more especially in regard to the prevalence of malaria, which is endemic in the country, and £ 18,000 was contributed through the League for famine relief in Northern Albania in 1924.

The Frontier between Poland and Czechoslovakia.

The frontier delimitation difficulty, known as the Jaworzina question, between Poland and Czechoslovakia was referred to the League by the Powers represented on the Conference of Ambassadors in August 1923. The Conference, in July 1920, had laid down the frontier line, to be traced on the spot by a boundary commission. Differences of opinion arose between the two Governments over the small district of Jaworzina (a valley in the Tatra group of the Carpathian mountains), and after a considerable delay devoted to an effort to reach agreement, the Boundary Commission presented, in September 1922, proposals which appreciably modified the line laid down in July 1920, attributing the village of Jaworzina to Poland, and two communes further north to Czechoslovakia. Czechoslovakia protested, contending that the decision of July 1920 was binding, but the jurists composing the Drafting Committee of the Conference of Ambassadors, were of opinion that the 1920 decision had left undetermined part of the frontier in the Jaworzina district.

The question aroused public opinion in both countries, and assumed political importance disproportionate to the extent and material value of the contested territory.

The Council considered the matter in August and September 1923, and, with the consent of both countries, decided to submit the point of law raised by Czechoslovakia to the Permanent Court of International Justice for an advisory

opinion. The Court decided that the decision of 1920 was definitive and must be applied in its entirety. This decision was accepted by both parties.

The Council, thus possessed of the legal basis of the question, came to the conclusion that the line proposed by the Boundary Commission was not in conformity with the decision of the Court, and asked the Governments represented on the Conference of Ambassadors to request the Boundary Commission to submit new proposals in conformity with the opinion of the Court and the proceedings of the Council. Finally, in March 1924, the Council traced the frontier on the basis of new proposals submitted by the Boundary Commission. The village of Jaworzina remained in the possession of Czechoslovakia, and in order to safeguard economic interests and transit facilities for communes on both sides of the frontier, the Council recommended to the Governments concerned to take into consideration the mutual interests of the frontier populations by drawing up special protocols constituting an integral part of the decision definitely fixing the frontier line.

Both Governments accepted this solution, and this closed a vexatious question which had embittered the relations of both States for several years. A convention concluded since between the Polish and Czechoslovak Governments has created special facilities in that district, both for local economic relations across the frontier and for travelling and sporting purposes.

Memel.

The Memel problem was another instance of protracted discussion eventually resulting in reference to the League by the Powers represented on the Conference of Ambassadors.

The territory of Memel, which is situated at the mouth of the Niemen between East Prussia and Lithuania, was,

under the Treaty of Versailles, handed over by Germany to the Principal Allied and Associated Powers for final disposition. From the Peace Conference until the beginning of 1923, the territory was administered by a representative of the Allies. In January 1923, Memel was seized by irregular Lithuanian forces, the Allied troops of occupation withdrew in order to avoid bloodshed, and a *de facto* Government took possession. In February, the Conference of Ambassadors decided to transfer to Lithuania the rights held by the Allied Powers under the Treaty on condition that a large measure of autonomy should be given for the protection of the German population and adequate guarantees for the development of the port as an international outlet. Lithuania accepted these principles, but when the Conference drew up a Convention for their application, Lithuania did not see its way to accept certain clauses. It was found impossible to reach agreement on the matter, and in September 1923 the Conference of Ambassadors referred the question to the League under Article II.

The difficulties to be overcome were of two kinds; technical, since transit questions and the régime of a port of international concern had to be settled; political and moral, because Poland had interest in Memel as a natural outlet, and because the relations between Poland and Lithuania were not satisfactory. The Council, therefore, decided to appoint an impartial commission of three members, two of whom, a Dutchman and a Swede, were appointed at the Council's request by the Chairman of the League of Nations Committee for Communications and Transit, and the third, Mr. Norman H. Davis, formerly Under-Secretary of State of the United States, by the Council as Chairman of the Commission. The Commission was, therefore, composed of a highly qualified American statesman and two equally qualified technical experts, entirely disinterested. The Commission made an investigation on the spot, visited both Kovno and

Warsaw, terminated its final negotiations at Geneva, and on March 12th was able to present to the Council a complete Convention accepted by Lithuania. The Convention was based on the principles laid down by the Conference of Ambassadors in 1923, and the representatives of the Principal Allied Powers sitting on the Council, together with Lithuania, expressly accepted it in the name of their respective governments.

The Statute of Memel under this Convention constitutes the Memel territory as a unit within the sovereignty of Lithuania enjoying legislative, judicial, administrative and financial autonomy within prescribed limits, with a governor appointed by the President of the Lithuanian Republic. The port of Memel is regarded as a port of international concern to which the recommendations of the Barcelona Transit Conference of the League with regard to ports under international régime are applied, under the direction of a harbour board representing various interests and including a technician of neutral nationality appointed by the League of Nations. Under the Convention, any member of the Council of the League may draw the attention of the Council to any infraction of its provisions, and any difference of opinion in regard to questions of law or fact between the Lithuanian Government and any Principal Allied Powers, members of the Council of the League, is to be referred to the Permanent Court of International Justice, from whose decision there shall be no appeal. By an additional Protocol exceptional provision is made for the execution of all provisions of the Convention involving action on the part of the Lithuanian Government from the date of ratification by that Government, without waiting for other ratifications. This applies, *inter alia*, to the opening of the Niemen river to the transport of wood sent from the Polish Hinterland to the port of Memel. With a few verbal alterations, the Convention was adopted by the Conference of Ambassadors and signed by the Allied Governments and the Lithuanian Government in May 1924.

The League sought by this solution to promote the interests of the Lithuanian State, of the population and city of Memel, part of which is German-speaking, and also of the Hinterland, both Polish and Lithuanian, of which Memel is the natural outlet.

A Franco-British Dispute.

Differences arose between Great Britain and France in November 1921 regarding nationality decrees promulgated in Tunis and the French zone of Morocco and their application to certain categories of British subjects. These decrees conferred French nationality upon any person born in Tunis or in the French zone of the Sherifian Empire, one of whose parents was justiciable as a foreigner by the French tribunals of the protectorate and was born in the protectorate. These decrees conflicted with British nationality legislation, which claims as natural-born British subjects the children born of British parents who were themselves born within His Britannic Majesty's allegiance and also the grand-children of such parents born before January 1st, 1915. The British Government, therefore, protested when the French Government, applying the decrees, treated as French subjects and liable to military service in the French army, persons in Tunis of Maltese origin and claimed by the British Government to be British subjects.

This became a subject of long diplomatic correspondence that ended in a deadlock. The British proposal to submit the question to arbitration was not accepted, the French Government claiming that it was not a fit subject for arbitration, but a matter of domestic jurisdiction. The British Government, therefore, in September 1922, brought the question before the Council of the League. The British and French representatives on the Council, Lord Balfour and M. Léon Bourgeois, agreed to ask the Council to request an

advisory opinion from the Permanent Court of International Justice as to whether the matter at issue was or was not exclusively a question of domestic jurisdiction according to international law. The Court announced in February 1923 that, without touching upon the substance of the dispute, it was of opinion that it was not a matter of purely domestic concern. The representative of the French Government before the Court then proposed that the whole question should be referred to the Court for settlement, but after an exchange of notes between the two ministers of Foreign Affairs, a friendly agreement was reached in May of the same year, of which the Court took note in its session of June.

Eastern Carelia.

In November 1921, the Finnish Government drew the attention of the Council to the situation created in Eastern Carelia by the non-application of the provisions of the Treaty of Peace signed at Dorpat in October 1920 between the Republic of Finland and the Russian Socialist Federal Soviet Republic. Eastern Carelia includes the government of Olonetz and that part of the government of Archangel which lies to the west of the White Sea. It has an area of about 150,000 square kilometres; and a population of about 200,000 which forms one of the principal branches of the Finnish race.

Finland's contention was that the Treaty of Dorpat guaranteed territorial economic and moral autonomy to the population of Eastern Carelia within the Union of the Socialist Soviet Republic. Instead of this, Finland asserted that the Soviet Government had established a régime dependent on the dictatorship of an imported workers' soviet which was ruining and terrorising the country. The Carelians had revolted, and a portion of them had fled to Finland. Representatives of Esthonia and Latvia informed the Council of

their interest in Finland's action, and the representative of Poland stated that his Government had already placed its good offices at the disposal of the two parties. The Council declared its willingness to examine the question provided the two parties concerned agreed, and expressed the opinion that one of the States Members of the League in diplomatic relations with the Government of Moscow, might ascertain that Government's views on the matter.

This, however, produced no result, the Soviet Government declaring that the question was one of purely domestic concern. The Council, therefore, at the request of the Finnish Government, decided to ask the Permanent Court of International Justice to give an advisory opinion as to whether the Treaty of Dorpat and the Annexed Declaration of the Russian Delegation concerning the autonomy of Eastern Carelia constituted obligations of an international character which were binding upon Russia in her relations with Finland.

Finland stated her case before the Court, but the Russian Government refused to appear. The majority of the Court, seven out of eleven judges, reluctantly concluded that the Court was incompetent to express an opinion. In its view, no reply could be given to the question unless an enquiry were held on certain points of fact, and it would be extremely difficult to conduct such an enquiry if Russia held aloof. Moreover, in view of the independence of sovereign States, it could not express an opinion on a dispute that had arisen between a Member of the League and a non-Member, without the consent of the latter.

Finland's declaration to the fourth Assembly, that it maintained its right to consider the Treaty and the annexed Declaration relating to Eastern Carelia as agreements of an international order, was taken note of, and the Assembly requested the Council to keep in mind the possibility of seeking any satisfactory solution made possible by subsequent events.

The Italo-Greek Dispute.

The dispute between Italy and Greece arose out of the murder on August 27th, 1923, on Greek soil, of an Italian general, two Italian officers, an Italian chauffeur and an Albanian interpreter. The Italian general and his assistants were engaged, as representatives of the Ambassadors' Conference, in fixing the frontier line between Greece and Albania, and while traversing a section of the Greek frontier they fell into an ambush and were assassinated. The Italian Government sent a note to the Greek Government demanding full reparation and apologies; Greece accepted some of the conditions, but refused others, and as a result the Italian naval authorities occupied the Island of Corfu, announcing that the occupation was a temporary measure taken as a guarantee of reparations. The Conference of Ambassadors also sent a note to Greece requesting an immediate inquiry and reserving the right of considering penalties.

After these exchanges, Greece, on September 1st, brought the matter before the Council of the League under Articles 12 and 15 of the Covenant. It is important to note that Greece, while appealing to the League, also stated her willingness to accept any decision of the Conference of Ambassadors.

At a public meeting of the Council Greece made some additional offers to those contained in her reply to the Italian note, but the Italian representative asked the Council not to take action in the dispute because the Conference of Ambassadors, a directly interested party, had already taken up the question, and also on the grounds of the interpretation of several Articles of the Covenant regarding the competence of the League.

The Council left aside for the moment the detailed consideration of these legal questions, and recognising the interest of the Conference of Ambassadors in the matter,

considered a series of seven points suggested as a basis of settlement by the Spanish representative on the Council. Without formally adopting these suggestions, it was agreed to forward them informally, together with the verbatim record of the Council discussion, to the Conference of Ambassadors. This body thanked the Council for having supplied it with valuable material which had greatly assisted it in forming a judgment; annexed to this communication was a note of the Ambassadors' Conference to the Greek Government setting forth certain conditions which Greece should fulfil in reparation for the murder. The Council in acknowledging this asked to be kept informed of any further discussion upon the subject, and eventually received a communication from the Conference of Ambassadors announcing the settlement of the dispute and enclosing a new and more detailed note to Greece. The Council welcomed the fact that this had put an end to a situation which had aroused intense anxiety.

Further action was subsequently taken by the Conference of Ambassadors in connection with the conditions presented to Greece. Within a month of the murder, reparations had been settled and paid, Corfu evacuated and normal relations restored.

The immediate question thus settled, the Council, while declaring that any dispute between Members of the League likely to lead to rupture was within the sphere of action of the League and that if such a dispute could not be settled by diplomacy, arbitration or judicial settlement it was the duty of the Council to deal with it in accordance with the terms of Article 15 of the Covenant, proceeded to a consideration of the points of international law raised during the discussions. It unanimously agreed on a series of questions to be submitted to a committee of jurists and to be studied apart altogether from the solution of the special case which the Council had examined. The committee of jurists reached

unanimous agreement on its replies concerning the competence of the Council, the right of coercive action and the responsibility of a State for political crimes committed on its territory—replies which were accepted by the Council.

The Frontier of Iraq.

In August 1924 the British Government asked the Council to take up the question of the Frontier of Iraq. It recalled the fact that, by the Treaty of Lausanne the frontier between Iraq and Turkey was to be settled within nine months by direct negotiations between Turkey and Great Britain, and if within this period no agreement was reached, the question was to be brought before the Council of the League. The British Government added that no agreement had been reached at the date upon which the period of nine months came to an end.

The Council considered this appeal at its session which opened in the same month and at which Turkey was represented. Great Britain held that the vilayet of Mosul should be definitely attached to Iraq and Turkey contended that it was Turkish territory and should remain so. Both Governments undertook to accept in advance the Council's decision and to maintain peace on both sides of the so-called *status quo* line in accordance with a reciprocal undertaking contained in the Lausanne Treaty. Differences subsequently arose regarding the interpretation of the Council's resolution on the maintenance of the *status quo*, and a special meeting of the Council took place at Brussels at the end of October 1924, when the provisional line to be observed was defined, both parties accepting.

At the same meeting the Council appointed a Commission to enquire into the whole question and lay before the Council information and suggestions which might assist it

in reaching a decision. This Commission went to London and to Angora, and devoted some weeks to the study of the problem on the spot. Its report was completed in July 1925 and was submitted to the Council in September.

In its final conclusions the Commission stated that looking at the question entirely from the point of view of the interests of the populations concerned, it considered that it would be to some advantage that the disputed area should not be partitioned. On the basis of this consideration, the Commission, having assigned a relative value to each of the facts which it had established, was of opinion that important arguments, particularly of an economic and geographical nature, and the sentiments (with all the reservations stated) of the majority of the inhabitants of the territory taken as a whole, operated in favour of the union with Iraq of the whole territory south of the "Brussels line", subject to the following conditions.

1. The territory must remain under the effective mandate of the League of Nations for a period which might be put at twenty-five years;

2. Regard must be paid to the desires expressed by the Kurds that officials of Kurdish race should be appointed for the administration of their country, the dispensation of justice and teaching in the schools, and that Kurdish should be the official language of all these services.

The Commission was convinced that if the League of Nations control were to terminate on the expiry of the fouryears Treaty now in force between Great Britain and Iraq, and if certain guarantees of local administration were not to be given to the Kurds, the majority of the people would have preferred Turkish to Arab sovereignty.

The Commission was also convinced that the advantages of the union of the disputed territory with Iraq would in that case be exchanged for very serious political difficulties,

and considered that, under those circumstances it would be more advantageous for the territory to remain under the sovereignty of Turkey, whose internal conditions and external political situation were incomparably more stable than those of Iraq. Whatever decision might be taken, it was essential, however, that Iraq should retain the Diala region, which was necessary for the solution of the irrigation problem. The Commission felt bound to leave it to the Council of the League of Nations to appraise the legal and other political arguments stated in its report, and to decide what relative weight should be given to them as compared with the other arguments. Should the Council, as the outcome of its examination, consider it equitable to partition the disputed territory, the Commission suggested that the best line would be that approximately following the Lesser Zab River.

The British and Turkish representatives presented various observations and criticisms with regard to different aspects of the report, after which a Committee of three Members of the Council—Sweden, Spain and Uruguay—was appointed to examine the data supplied by the Commission and the parties concerned. During its discussions difficulties were raised as to the character of the decision to be taken by the Council, and on the Committee's suggestion, the Council decided to ask the Permanent Court of International Justice for an advisory opinion as to whether the Council's role was to give an arbitral award; to make a recommendation or to carry out simple mediation; whether the decision must be unanimous or whether it might be by majority, and whether the representatives of the interested parties were to take part in the vote.

The Turkish representative contended that the parties resorted to the good offices of the Council, not to a decision given without their consent, and the opinion of the Court could in no way affect the right of his Government which saw no necessity for consulting the Court. He added that

the Grand Assembly of Turkey did not consider itself bound by any undertaking except acts which it had ratified.

The Court, which considered the questions put before it at an extraordinary session, expressed the opinion that the decision to be taken by the Council would be binding and must be taken by unanimous vote, not counting the votes of the parties. When this came before the Council at its session of December 1925, the Turkish representative said his Government could not accept this interpretation.

The Court's opinion, however, was adopted by the Council, Turkey voting against, and the Council Committee of three continued its effort at conciliation. This proved without avail and the Council had to take a decision. It met for this purpose on December 16. The Turkish representative did not attend. The decision of the Council, said the Rapporteur, could not be based on a more solid foundation than that provided by the report of the Commission of Enquiry, whose extensive investigations had been conducted with a conscientiousness to which both parties had paid a tribute.

The following was the solution unanimously adopted by the Council : The provisional frontier line fixed at Brussels was made definitive, with the conditions attached; the British Government was invited to submit, within six months, a new treaty with Iraq, and to adopt the other measures proposed with regard to guarantees for the Kurdish population, etc. The Council urged the two parties to reach friendly agreement.

These requirements were subsequently fulfilled the new treaty providing for the mandate remaining in force for twenty-five years unless Iraq became a member of the League before the expiration of that period. In June 1926 Sir Austen Chamberlain announced to the Council that negotiations entered into, on the recommendation of the Council, by the British and Turkish Governments, had been brought to a completely

successful issue. The agreement involved a very small cession of territory which he asked the Council to approve, and the President congratulated the two Governments on having reached agreement. It was a further proof (he said) of the value of the League's intervention in international disputes.

The Greco-Bulgarian Conflict.

The Greco-Bulgarian conflict arose from frontier incidents in October 1925. There were divergencies and contradictions in the telegrams addressed to the League by the respective Governments as to the origin of the affair, but shots were exchanged on the frontier North-East of Salonika between Greek and Bulgarian sentries and this was followed by prolonged firing and movements of troops.

The Bulgarian Government appealed to the League under Articles 10 and 11 of the Covenant. This appeal was received early in the morning of October 23; a few hours later the Secretary-General summoned an extraordinary session of the Council, which took place three days after, October 26, in Paris. In the afternoon of the day upon which Bulgaria's appeal was received, the Acting President of the Council, M. Briand, sent a telegram reminding both Governments of their solemn obligations under the Covenant not to resort to war, and of the grave consequences which the Covenant laid down for breaches thereof. He exhorted the two Governments to give immediate instructions that pending the consideration of the dispute by the Council, no further military movements should be undertaken and that the troops should at once retire behind their respective frontiers.

When the Council met, its first task was to ensure the cessation of hostilities and immediate withdrawal of troops. On the evening of October 26, the Council gave both parties

twenty-four hours within which to inform it that they had issued unconditional orders to their troops to withdraw behind their respective frontiers, and sixty hours within which to inform it that the evacuation had been completed. At the request of the Council the Governments of France, Great Britain, and Italy directed their military attachés at Belgrade to repair immediately to the region where the conflict had broken out, and to report direct to the Council the execution of its decision. On October 28 the Council was informed that the orders had been given and on the 29th that the evacuation had been completed, eight hours within the time limit.

The Council then turned its attention to the establishment of the facts and responsibilities. The Bulgarian Government had proposed to the Greek Government that a mixed commission should be appointed for this purpose. The Greek Government, on the other hand, sent a note to the Bulgarian Government demanding damages, the punishment of the officers responsible and the payment of an indemnity of £ 20,000 to the families of the victims. The Greek Government having instructed its military command to take all measures it considered necessary for the defence of its territory and the security of its troops, Greek detachments had entered Bulgarian territory in the neighbourhood of Petrich to a depth of five miles, and according to telegrams from the Greek Government, Bulgarian detachments had penetrated Greek territory; the Bulgarians, however, asserted that at no time had any Bulgarian troops occupied Greek territory and that instructions had been given to the Bulgarian military command that no resistance should be offered to Greek troops. The Greek argument was that the measures taken were necessary for the defence of its territory and that the Greek advance only took place after the violation of its territory by Bulgarians. Both the Greek and Bulgarian representatives at the Council declared that they would

accept in advance the Council's decision regarding reparations and damages and also invited the Council to make a complete and thorough enquiry into the origin and causes of the incident. For this purpose the Council appointed a commission, under the Presidency of Sir Horace Rumbold, British Ambassador at Madrid, and composed of a French General officer, an Italian general officer, a Dutch civilian and a Swedish civilian both with legal experience. They were asked not only to make a thorough enquiry but also to offer suggestions as to the means by which the recurrence of such events might be avoided.

The Commission, which completed in three weeks a task including investigation on the spot, established the fact that the Greek Government, acting on the basis of false news of a Bulgarian attack with a battalion, had occupied part of Bulgarian territory and had thus acted in violation of the Covenant. While there could be no question of premeditation on either side, the Commission concluded that the request for an indemnity by the Greek Government could not be considered, with the exception of an indemnity for a Greek officer who was killed while advancing under a flag of truce, and that the Greek Government was responsible for the expenses, losses and suffering caused by the invasion of Bulgarian territory by Greek troops. It fixed the amount of damages and reparations at £ 45,000. This took account of the death of the Greek officer.

In its recommendations regarding the steps that should be taken to avoid further incidents of the kind, an interesting feature was the emphasis laid upon measures to enable the League to take rapid action. The report pointed out that the cessation of hostilities took place in exceptionally favourable circumstances. By one o'clock on the date of the receipt of the Bulgarian Government's request, the Acting President of the Council was able to send an urgent request to both Governments to cease hostilities. On the

scene of the incident a battle was imminent; the Greek Government had ordered its troops to attack Petrich at 8.30 on the morning of the 24th; there were sufficient forces on both sides to make serious consequences probable. The Greeks had about 1,000 men with three batteries; the Bulgarians with about one battalion and twelve guns, occupied a defensive positions and their commander had orders to offer some measures of resistance. The order to suspend offensive operations, despatched from Athens on the arrival of the telegram from the President of the Council, reached the scene of action at 6 o'clock in the morning—exactly two hours and a half before the attack was timed to begin. Speed, therefore was an essential factor, and in order to enable the League to act with the utmost rapidity it was recommended that special facilities for communication and transit be accorded to Governments and the League Secretariat in case of threat of war. Other recommendations included the reorganisation of frontier guards with the assistance of neutral officers, the establishment of a conciliation commission, and measures for the elimination of the two principal sources of political discontent, namely 1) the liquidation of property under the Convention for the exchange of populations, which should proceed more rapidly with the avoidance of vexatious measures; and 2) the settlement of property right difficulties in regard to refugees.

The Council adopted the recommendations of the Commission with certain slight modifications requested by both Bulgaria and Grece and decided that the Greek Government should be asked to pay £ 45,000 as reparation to Bulgaria within two months.

This sum was duly paid, an agreement was reached concerning the selection and conditions of service of two Swedish officers, one placed at the disposal of the Bulgarian Government and the other at the disposal of the Greek Government, and reports were subsequently presented from the two

Governments concerning the liquidation of the refugee questions, which were noted with satisfaction by the Council.

Abyssinia.

The Secretary-General received from the Abyssinian Government a Note dated June 19, 1926, accompanied by copies correspondence exchanged by the British and Italian Governments and by them communicated to the Abyssinian Government. It asked that the documents might be communicated to the Members of the League in order that the question might be considered.

The Abyssinian Note stated that the Government had received identical notes from the British and Italian Governments informing them that they had arrived at an agreement to support each other with a view to obtaining a concession for the British Government to undertake the conservancy of the waters of Lake Tsana, and for the Italian Government to construct a railway through the Abyssinian Empire. The Abyssinian Government could not help thinking that in agreeing to support each other in this matter and in making a joint notification of that agreement, the two Governments were endeavouring to exert pressure in order to induce the Abyssinian Government to comply with their demands prematurely. The Abyssinian Government brought the correspondence to the notice of all the States Members of the League in order that they might decide whether it was compatible with the independence of Abyssinia, inasmuch as it included a stipulation that part of their Empire was to be allotted to the economic influence of a given Power.

This correspondence was communicated to the Members of the League and the British and Italian Governments replied in two separate notes which were also distributed to the Members of the League. The two Governments expressed

their regret that, in spite of the assurances conveyed to the Abyssinian Government by their Ministers in Addis Ababa, the purport of the notes should have been misunderstood and intentions attributed to the British and Italian Governments which they had never entertained.

The British Government's letter declared that there was nothing in the Anglo-Italian Notes to suggest coercion or the exercise of pressure. In their view the agreement was in the interests of all three parties, but of course the Abyssinian Government had a perfect right to judge what was in the interests of Abyssinia. As to the suggestion that they were trying to force the Abyssinian Government to yield to their requests in a hurry, the British Government recalled that negotiations had taken place with the Emperor Menelik twenty-four years ago, that the British Government on several occasions had made specific proposals regarding the waters of Lake Tsana, and they could not fairly be charged with proceeding with undue precipitancy. The Anglo-Italian Notes did not reserve any part of Abyssinia to Italian economic influence. The British Government's recognition, under certain conditions, of an exclusive Italian economic influence in the west of Abyssinia and in the territory to be crossed by the proposed railway, did not affect the rights of third parties or bind the Government of Abyssinia, and it imposed no obligation on anyone except the British Government, who, in return for the Italian undertakings in regard to Lake Tsana, engaged not to compete or support competition with Italian enterprise in the region specified.

The Italian Government expressed its surprise at the Abyssinian Note, as the Italian representative in Addis Ababa had already given definite assurances to the Abyssinian Government after which the Government addressed a letter to the Italian Minister in Addis Ababa thanking the Italian Government for its assurances and stating that Abyssinia had never entertained any doubt as to the friendly

intentions of Italy and her desire to respect the independence of Abyssinia. Neither in the letter nor in the spirit of the British and Italian Notes could anything be found that would justify the apprehension on the part of the Abyssinian Government that the Italian and British Governments intended to exert precipitate and forcible pressure. The Notes were binding solely on the Italian and British Governments and could not detract from the right of the Abyssinian Government to take such decisions as it might think fit, or limit the possible action of third parties.

A Note dated September 4 was subsequently received from the Abyssinian Government giving a resumé of the situation arising from the correspondence, and asking that, as the British and Italian Notes had been registered with the Secretariat of the League under Article 18 of the Covenant, its present letter should be published together with the Notes in question in order that the public might be acquainted with the Abyssinian Government's view and with the reassuring replies which had been made to its protest.

As the Abyssinian Government's letter was a unilateral declaration, the Secretary-General pointed out that it could not be regarded as a treaty or international engagement within the meaning of Article 18 of the Covenant and there was no precedent which justified him in having the letter registered and published in the Treaty Series. A suitable reference, however, would be inserted in the Treaty Series at the end of the text of the Notes exchanged between the British and Italian Governments, and the letter would be published in the Official Journal.

The matter was thus brought to a close without being placed on the agenda of the Council.

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Various other cases of less general interest have from time to time been dealt with. Though some no doubt, were of secondary importance, many had excited public opinion to such a point as to create a state of tension, and by putting an end to most of these controversies the Council made a valuable contribution to peace.

CHAPTER II

THE WORK OF RECONSTRUCTION

Preparations for the International Economic Conference. — Austria. — Hungary. — Greek Refugee Settlement. — Bulgarian Refugee Scheme. — The Estonian Loan — Danzig Loan. — Other Problems. — Transit Conditions.

The financial and economic problems which faced the world after the war were unprecedented in their gravity, and the League began its life in international economic circumstances scarcely more propitious than the political circumstances. Matters were probably at their worst when the Council of the League, during its first year — 1920, summoned an international financial conference at Brussels for an exchange of information and suggestion of remedies to meet the general disorganisation of Europe. It was the first time since the war that so many nations, including those previously at war, had been brought together on an equal footing; thirty-nine countries were represented, including Germany and the United States, and the Conference produced a series of unanimous recommendations representing in essence a body of

financial doctrines on questions of budget equilibrium, inflation, credits, expenditure on armaments, etc. This body of doctrine was in the hands of every finance minister in the world, and in the struggles which finance ministers have constantly had, they have in many cases been substantially influenced by an appeal to this authoritative and impartial pronouncement. Out of this Conference arose the Financial and Economic Commission of the League with instructions for a series of studies and publications on questions which the Conference had not itself had time fully to consider; an agency was thus created capable of handling such problems as the reconstruction of Austria and Hungary, which, amongst others, arose later in specific form.

The work carried out since the Brussels Conference has covered a wide range of subjects. Sufficient progress had been made towards the financial stability of the world to enable the 1925 Assembly to declare that the time seemed ripe for the League to make an attempt to deal with the economic problem as a whole in accordance with Article 23 of the Covenant, which stipulates in particular that the Members of the League "will make provision to secure and maintain equitable treatment for the commerce of all the Members of the League".

Preparations for the International Economic Conference.

The Council, acting on the recommendation of the Assembly, set up a Preparatory Committee to submit to the Council a report concerning the programme, composition, rules of procedure and date of meeting of an International Economic Conference. The Committee was representative of the economic life of the day and included members with personal experience of business and industrial affairs, qualified representatives of the workers' and consumers' classes, former

ministers and high officials, scientists, and experts who have worked with the League technical organisations or the International Labour Office.

The Committee was asked to consider to what extent present economic difficulties were international and to endeavour to discover points of which practical solutions might be contemplated, together with the appropriate methods of giving effect to those solutions. The Committee held two meetings during 1926, the interval between the two meetings being occupied with the collection of information bearing on industrial production, trade and markets, agriculture, finance, population, labour conditions, etc. The information was collected by the League Secretariat, the International Labour Office, and the International Institute of Agriculture, with the co-operation of various other international organisations. Important industrial organisations of various countries took part in the work and a special report was sent by the International Chamber of Commerce, which had made a comprehensive enquiry into the questions at issue. The work of the second meeting of the Committee was to isolate from this mass of material essential questions upon which the efforts of the Conference should be concentrated.

At this meeting, which took place in November 1926, unanimous agreement was reached on a draft agenda and the Committee recommended May 4, 1927 as the date of the Conference. It suggested that members of the Conference should be appointed by the Governments not as Government representatives but chosen for their personal qualifications. The Council should reserve the right to make a limited number of additional appointments, either directly or through appropriate organisations. The principles followed by the Committee in drawing up the agenda were to allow, on the one hand, of a general discussion of the principal features of the world economic situation, and on the other hand, of

more concentrated discussions on special international questions on which practical results might be hoped for. It is obvious that the problems are vast, complex, and delicate. It is intended that the Conference should take the form of a general consultation in the course of which, as at the Brussels Financial Conference, the various programmes and doctrines may be freely exposed without the liberty of discussion being restricted by any immediate necessity to transform the conclusions into international engagements.

The Council accepted the Committee's suggestions at its December Session.

Reconstruction of Austria.

The codification of financial doctrine at the Brussels Financial Conference was followed by the definite and practical work of financial reconstruction in Austria. Scientific European reconstruction may be said to have begun by the League's work in this country. Its success made it the model of all later schemes for the restoration of a country's finances. It served as a valuable guide to the "Dawes Committee" in devising its scheme for Germany. Its lessons were carefully studied by Poland in her notable and successful effort of reconstruction by national selfhelp. Its methods and principles were later applied with equal success by the League itself to Hungary.

The Austro-Hungarian Empire had been broken up, and Austria, which as a result had become a small State though still organised as the centre of an Empire, was faced with the problem of complete reorganisation if she were to maintain her national life. She did not possess the means of achieving this difficult task unaided. For three years she had been kept precariously alive. Twenty-five millions sterling of public money had been lent and become to all appear-

ances an irretrievably bad debt. Large charitable funds had also poured in, but all this money had been consumed for current expenditure and there had been no reconstruction. On the contrary, Austria's financial position had become worse than ever. All these sources of help had come to an end; the crown had dropped to one-fifteen thousandth part of its gold value and was still falling. Public expenditure was at least twice the revenue, and Austria was confronted with the vital necessity of purchasing large imports of food and raw materials during the autumn and winter. There seemed no escape from destitution, starvation and, possibly, revolution, with incalculable foreign complications. It was in these desperate circumstances that Austria's case finally came before the League, of which Austria was a member.

It was on August 15, 1922, that the Supreme Council of the Allied Powers referred the matter to the League, at the same time announcing that they were themselves unable to hold out any prospect of further financial assistance. The Council at once instructed its Financial Committee to examine the financial aspects and appointed a Committee of the Council to consider the problem as a whole. For the purposes of the investigation the Council Committee was joined by the Austrian Chancellor and by M. Benes, Foreign Minister of Czechoslovakia, and by October 4 a complete and detailed scheme received the unreserved assent of the Council, of Austria, and of Czechoslovakia.

The general scheme was comprised in three protocols. Austria's political status was confirmed and assured; the liens on her assets in favour of relief credit and reparation obligations were raised for twenty years and a new "reconstruction" loan, secured partly on Austria's own assets thus released and partly on the guarantee of other Governments, was provided for; and Austria agreed to carry out detailed and far-reaching reforms directed to ensuring the balancing of her budget within about two years. The excess of her

expenditure over revenue during this period of reform was to be met from the reconstruction loan. It was thus possible to stop at once the inflationary issue of notes, by which Government expenditure had previously been met. The currency was at once stabilized and its stability ensured by the foundation of a new Bank of Issue independent of the Government. A Commissioner-General of the League, Dr. Zimmerman (a Dutchman) was appointed to carry the scheme into effect in collaboration with the Austrian Government, to supervise its application, and to control the release of the money loaned.

As soon as a start was made with the execution of the scheme, remarkable results ensued. Confidence in Austria was at once restored in a large measure. It was an astonishing development that Austrian currency soon became the most stable in the whole of Europe. Within four months the bank deposits had increased five-fold, Austria had raised 30 million gold crowns for the capital of the new bank of issue provided for in the scheme, and 50 million gold crowns for a national loan, 30 millions of which were taken by the Viennese banks and the remaining 20 million by the public. This was the measure of the return of Austria's confidence in herself. In February, the Austrian Government was able successfully to raise a short-term loan of $3\frac{1}{2}$ million pounds sterling, and in April of the same year, a 20 years' loan equivalent in value to 27 millions sterling. This long-term loan, based upon the guarantees of nine different countries, secured further by assets under the control of an international commissioner appointed by the League, for a scheme of reconstruction in which twelve Governments actively participated and for which the League as a whole was responsible, raised in at least nine different financial markets (London, New York, Paris, Vienna, Rome, Brussels, Amsterdam, Stockholm and Geneva) in different currencies, is unique in the financial operations of the world. Within ten months after the work

of reconstruction had actually started, taxation receipts began to equal expenditure, and budget equilibrium was thus, at least temporarily, attained. This result was, however, attained more by the increase of revenue than by the decrease of expenditure. and the League did not feel sufficiently confident of its continuance to remove the control. The position was rendered more difficult by an economic depression, with unemployment.

The Council thought it wise to appoint two independent experts to make a thorough enquiry into Austria's economic situation, and their report, which has been published, was on the whole optimistic. They concluded that the troubles confronting the economic life of Austria were merely a variant, if in a somewhat intensified form, of those with which all European countries have been faced since the war. The remedies which she most needed were the extension of her markets, the supply of foreign capital, and internally a reduction of cost prices throughout industry.

In March 1926 the Council decided that the control of the Commissioner-General should cease as from July 1, 1926, subject to a supervision by the Financial Committee over the expenditure of the balance of the loan, and to a control over the revenues assigned for the service of the loan by a representative of the trustees. Austria also agreed that during the period of ten years after the date of the definitive termination of control by the Commissioner-General the Council of the League should, by a three-fourths majority vote—Austria abstaining—have the right to re-establish control by a Commissioner-General if the proceeds from the assigned revenues were insufficient to cover the service of the loan or if the equilibrium of the budget were seriously endangered.

The inevitable, and anticipated, difficulties attendant upon the period of reform should not, however, obscure the significance of the great results already obtained; a currency

absolutely stable for several years, a budget in equilibrium Austria is now, like other countries, contending with a moderate economic depression; but in 1922 she was in financial and economic chaos and in imminent danger of starvation and dissolution. There is no more striking contrast in the post-war history of Europe.

Reconstruction of Hungary.

Towards the end of 1923, observing the success of reconstruction in Austria, Hungary asked the League to apply a similar scheme to the restoration of its own finances.

The Council immediately appointed a special Council Committee, including for the purpose representatives of Czechoslovakia, the Serb-Croat-Slovene Kingdom, Roumania and Hungary. This Committee, again with the technical assistance of the Financial Committee, drew up a scheme, which involved a series of difficult negotiations complicated by matters of a political nature. The Hungarian plan is in principle the same as the Austrian, but the position of Hungary was not so serious either financially or economically. The main difference is that whereas in Austria no provision is made for reparation payments during the currency of the loan for twenty years, they are not excluded in the case of Hungary. All the external obligations of Hungary under the Peace Treaty are, however, limited for twenty years to a sum giving an annual average of not more than 10 million gold crowns, or about £400,000.

Another difference is that—in consequence mainly of the results achieved in Austria and the increased confidence in the League's reconstructive work—it proved possible to arrange the reconstruction loan without financial guarantees from foreign Governments. As in the case of the Austrian scheme, Hungary succeeded in launching a foreign loan of

over £10,000,000 sterling. The loan was immediately subscribed in various countries, and the Commissioner General, who in this case is Mr. J. Smith, Jr. an American, has in his periodical reports recorded entirely satisfactory progress. Budget equilibrium was reached with remarkable rapidity. Control began on May 1st, 1924. A deficit of 100 million gold crowns had been allowed for the financial year July 1924 to June 1925. In fact this year showed an actual surplus

The following financial year shewed an equally favourable result, with a surplus of approximately 62 millions of gold crowns. Thus two years after the control began—the minimum period contemplated—the reconstruction work had been successfully concluded. The budget had been balanced for a year and a half, only about one-fourth of the reconstruction loan had been used to meet deficits, the balance being available for productive investments. Accordingly the Council decided to terminate the functions of the Commissioner-General as from July 1st 1926, subject to a supervision over the balance of the loan and the control over the assigned revenues by a representative of the Trustees.

In the case of Hungary the right of the Council to re-establish control at any time during the currency of the loan if the equilibrium of the budget was endangered had been included in the original agreement with the Hungarian Government.

The scheme, to a larger degree than was the case with Austria, was the occasion for the settlement of a number of questions which had embarrassed the relations between Hungary and her neighbours since the disruption of the former Empire. Its successful prosecution, it may be hoped, will establish, on a more permanent basis, a friendly political atmosphere in that part of Central Europe, the first signs of which appeared when the Austrian scheme was successfully launched.

Greek Refugee Settlement Scheme.

Another financial operation of a somewhat different kind organised through the good offices of the League was the floating of a foreign loan of ten million pounds sterling for a refugee settlement scheme in Greece. After the Greco-Turkish hostilities in the autumn of 1922, between a million and a million and a half Greek refugees returned to their country, presenting an almost insuperable problem to the Government. It was one of the most tragic migrations in history; the refugees fled in disorder with only such possessions as they could carry and took any route, by land or sea, which they could find. Eighty per cent were destitute women and children. It was a terrible problem for the Government of a State of less than five million inhabitants, but the Government did what it could in the way of temporary lodging and relief. The great philanthropic organisations of the world gave valuable assistance. The League sent Dr. Nansen to investigate, and medical experts to advise on measures to deal with typhus and dysentery and to help in the sanitary organisation of refugee camps. But to meet the problem in permanent form was quite beyond the resources of the Greek Government unaided, and it appealed to the League for help on a larger scale.

The League, in collaboration with the Greek Government organised a settlement scheme under the control of a Commission nominated by the League, the Greek Government providing land upon which the refugees were to be established for productive work. The first President of the Commission was Mr. Henry Morgenthau, formerly United States Ambassador in Constantinople who was succeeded by Mr. C. P. Howland, another American citizen. Mr. Howland resigned in 1926 and his place was taken by Mr. C. D. Eddy.

The guarantees for the loan were considered and approved by the Financial Committee of the League, a detailed plan was evolved, for the organisation of the scheme of settlement, for the appropriate employment of the loan, and for the assignment of assets devoted to its repayment. The loan was successfully floated towards the end of 1924.

Despite great difficulties much has been successfully accomplished by the Commission. The work has extended over Western Thrace, Epirus, Crete and the islands, as well as old Greece, and, above all over Macedonia, where about 80 per cent of the agricultural refugees are being established. Over 20,000 houses have been completed in the towns and 40,000 in the country, and more than half the 1,400,000 refugees have been assisted to establish themselves. They have become productive and industrious citizens and add greatly to the economic resources of Greece. The production of wheat in Macedonia, for example, was in 1925 70 % greater than in the previous year; carpet makers have established a new and paying industry. The Greek world has been concentrated in the mother country, and the Commission speaks highly of the activity and vitality of the majority of the settlers who faithfully observe their liabilities.

The work is not yet completed and though the remainder of the unexpended portion of the ten million pounds loan will cover requirements for the winter, the Commission estimates that an additional loan of about five million pounds will be required. That is a matter which will be examined when the time is opportune.

The Bulgarian Refugee Loan

The fourth of the reconstruction schemes with which the League has been associated was that for the settlement of Bulgarian refugees, a problem arising from the gradual return

since 1912 of some 220,000 refugees. About 30,000 of these had been settled by the Government or had settled themselves, but a large number, homeless and starving, with whom the Government could not deal, constituted a social and political danger. A scheme was drawn up by the Financial Committee of the League for settling them and obtaining the money required. This sum was estimated at £ 2,250,000 for which a loan is shortly to be issued. Security for the loan is provided for by State revenues which are not permitted to fall below 150 per cent of the annual sum required to meet the service of the loan, precautions have been taken to secure the stability of Bulgarian currency against depreciation, and the control and execution of the scheme is in the hands of M. René Charron, appointed as League Commissioner and responsible to the League Council. An advance of £ 400,000 was made by the Bank of England to the Bank of Bulgaria in order that certain essential work should be done before the winter.

Estonian Loan

It has already been noted in the Political Section of this pamphlet, that the League was invited by the Government of Albania to give it financial advice. A request, similar in nature, but different in detail, was received towards the end of 1924 from the Government of Estonia, which asked the Financial Committee of the League to give it the benefit of its experience on the national banking policy. A small delegation went to Estonia and reported to the Financial Committee, which in turn drew up a series of recommendations to the Government in the early part of 1925.

In December 1926, the Council approved, on the recommendation of the Financial Committee, the issue by the Estonian Government, under the auspices of the League, of a loan of £1,350,000 for the establishment of the currency on a gold or exchange basis, relieving the Estonian Bank of certain assets unsuitable for a bank of issue, and founding a mortgage insti-

tute. The loan guarantees, such as assigned revenues, trusteeship, et^a... follow the précédents of other League reconstruction loans.

Danzig Loan.

Another instance, again differing slightly from all others, was the request from the Municipality of the Free City of Danzig for the support of the League in the raising of a loan for the development of municipal and harbour works. The Financial Committee carefully considered the whole problem in the early part of 1925 in collaboration with the representatives of the Municipality and of Poland, and common agreement was reached on a basis which permitted the municipality successfully to launch a loan of about 1½ million pounds sterling. The scheme provided for the protection of the interests of the lenders, and included the election by the Council of a Trustee, Mr. C. E. Ter Meulen, the Dutch President of the Financial Committee, whose responsibility is to see that the loan is devoted to the specific purposes for which it is provided, and that the securities given are adequately maintained.

The finances of Danzig again formed the subject of enquiry in 1926. The Financial Committee recommended that a detailed scheme securing budget equilibrium should be drawn up at once, the number of officials and their salaries should be reduced, the budget and accounting system simplified. If these requirements are carried out, if satisfactory arrangements regarding Danzig's payments under the Peace Treaty can be made, and if a customs agreement is definitely concluded with Poland, the Committee have recommended that a loan of about 30 million gulden should be floated, to be used primarily for the consolidation of the floating debt, and in part for capital works.

All these operations, involving the raising of foreign loans, would scarcely have been possible without the confidence

engendered by the members of the Financial Committee of the League, and by the Council itself.

Other Problems.

A variety of other reconstructive problems have been dealt with or are under consideration in the fields of finance, economics, communications and transit.

Amongst the many impediments to international commerce have been cumbersome and unfair customs formalities. After long and careful preparation, the League summoned a conference which was attended by thirty-four States, including the United States and Germany, in October 1923 at Geneva, with the collaboration of representatives of the international commercial world. A convention was unanimously adopted for eliminating many of these unnecessary barriers by means of publicity, simplicity, expedition, equality and redress. The Conference also adopted a number of recommendations regarding the passage of goods through customs, examination of travellers' luggage and warehousing charges. The main point of interest to the general travelling public was a recommendation that travellers' hand luggage should be examined in the train, and States agreed to allow luggage registered from the place of despatch abroad to be forwarded without customs examination at the frontier to customs offices in the interior of the country of destination.

Another interesting convention adopted by the League was one which aimed at removing the obstacles to the general recognition of the validity of arbitration clauses voluntarily included in commercial contracts, particularly in contracts between persons of different nationalities.

A subject of concern to international trade and financial relations also has been that of double taxation, which occurs when a tax-payer who is domiciled in one country and derives his income from another country is liable to taxation on

the same income in both countries. The preliminary study of this question was referred to a committee of four experts—Sir Josiah Stamp (England), Professor Seligman (United States), Professor Einaudi (Italy), and Professor Bruins (Holland). They drew up a detailed report on the general principles of the problem and this was followed by the appointment of a committee composed of the chief revenue officials in Europe to study the practical application of these principles. This committee has drawn up its final report, which has been published, but a considerable amount of work has still to be done to reach a final solution which will obtain governmental and parliamentary assent to the measures required in a matter so complicated.

Parallel with the enquiry on double taxation has been an enquiry, still continuing, on tax evasion.

Other matters in varying stages of progress deal with the equitable treatment of commerce in regard to such matters as unfair competition by means of fraudulent trade practices, the treatment of foreign nationals and enterprises on which a series of recommendations has been made to States Members of the League, unjust discrimination in the treatment of goods or ships; the dissimilarity in legislation on bills of exchange; uniformity of methods adopted in various countries in the compilation of economic statistics, etc.

With all this work there has been continuous research and a series of monographs has been published on public finance, currency reform, central banks of issue, trade, production, etc.

There is a *Monthly Bulletin of Statistics* which now gives figures from nearly every nation in the world, and there have been a number of other publications dealing, for example, with the raw materials position, economic conditions in Russia, replies of Governments regarding action on the resolutions adopted at the Brussels Financial Conference

reports on Estonia and Albania, regular monthly reports from the League Commissioners General in Austria and Hungary, and similar periodical information.

Transit Conditions.

The war accentuated the economic interdependence of the nations of the world, and questions of international transport by land and water became of considerable political importance and urgency. This was particularly the case in Europe, where large areas which had previously been economic units were broken up into a number of national States not in a position to be self-sufficient but determined to retain their political independence.

In order to deal with the resulting problems, the League appointed the advisory and Technical Organisation for Communications and Transit. Its first important conference was held in Barcelona in March, 1921, and attended by transit experts of forty States. The conference approved and submitted to the various nations for ratification two conventions one dealing with transport in transit, and the other with transport on international waterways.

By transport in transit is meant transport crossing a state and having its points of departure and arrival outside this State. The International Convention framed at Barcelona on freedom of transit was intended to remove all obstacles and delays in such transit. The Convention stipulates the complete freedom of transit and equality of conditions of transit but reserves the legitimate rights of police action, national security, transport in time of war and whatever reservations may be necessary in order to adapt these principles to the existing legal position and local or regional conditions in the various parts of the world.

The same principles of liberty and equality are applied to all classes of transport including imports, exports and

internal transport as regards inland waterways of international concern. This subject is dealt with in the Barcelona Convention concerning international navigation on inland waterways. By inland waterways of international concern are meant waterways accessible to ordinary commercial navigation and giving access to the sea to more than one state. Such waterways as, for instance, the Rhine and the Danube have long been subject of special or general international agreements. The necessity for international co-operation for the proper utilization of great arteries of traffic of this kind is obvious. The Barcelona Conference dealt with the question from the point of view of the universal application of these principles.

The character of the Barcelona Conventions is not sufficiently revealed by a mere summary of their principles; their novelty can be realised only by considering the elasticity of their procedure : The Conventions, based on the provisions adopted by the Assembly for the settlement of disputes arising out of the transport clauses of the Peace Treaties, all contain an article stipulating first that any dispute concerning their application or interpretation should be submitted to the Permanent Court of International Justice and, second, that the contracting states before bringing their dispute to the Court should try to reach an amicable settlement by resorting to the good offices of the competent technical body of the League, namely, the Advisory and Technical Committee on Communications and Transit. The great advantage of this procedure is to keep the frequent and often exceedingly delicate issues arising from the application or interpretation of the Barcelona Conventions within the purely technical domain so long as possible. Moreover if all efforts at friendly agreement fail, compulsory recourse in the last instance to the Permanent Court of International Justice makes it certain that a technical dispute, however, important it may be, will not through the absence of a fixed pro-

cedure, degenerate into a dangerous international conflict. The Advisory and Technical Committee on Communications and Transit has on several occasions dealt with disputes of this sort by the procedure of conciliation, notably on the occasion of a disagreement between Germany and the Saar Governing Commission concerning the application of the Berne Convention for railway transport, between the Oder Commission and Poland, and between the European Danube Commission and Roumania.

In addition to these conventions, the Barcelona Conference made recommendations, on the legal status of international ports and on international arrangements covering railway transport. Holding that the time was not ripe for a convention on ports, the Conference drew up for the use of such states as chose to adopt it a model statute for ports based on the principles applied in the conventions on transport and navigable waterways. Various States have already intimated their intention of applying this statute voluntarily to certain of their ports. It may also be of use in the Conclusion of international treaties for establishing the status of ports of which the political or economic position is peculiar. Such, for instance, was the case with the Port of Memel, as established by the Memel Transit Convention, and the other agreements placing that port under Lithuanian sovereignty.

The Advisory Committee subsequently prepared four more draft conventions for submission to the Second General Conference, which was held at Geneva in November, 1923. This Conference covered international railroad traffic, equality for shipping in maritime ports, the transmission of electric power across a third State and the development of hydraulic basins situated between two or more States.

With regard to the Maritime Ports Convention equal treatment was to be accorded to all States in the way of port dues and regulations, without discrimination even as

between the nationals of the State in which the port is situated and the nationals of other States.

So far as international railroad traffic is concerned, the Convention aims at a codification of existing railroad practice in so far as international traffic is concerned; it also aims at simplifying to the greatest possible extent frontier formalities for passenger, luggage and goods traffic.

Amongst the other matters being considered by the Committee may be mentioned the reform of the calendar, wireless regulations, international motor traffic, passports, the question of tonnage measurements in inland and maritime navigation, lighting and buoyage of coasts, etc. Important functions were also entrusted to the Committee by the Genoa Conference. In 1923 the Committee carried out a big enquiry into railway transport in Central and East Europe, and in 1925 into the general position regarding inland navigation, particularly on the Rhine and the Danube.

CHAPTER III

THE COURT, INTERNATIONAL LAW AND TREATY PUBLICITY

Character and Composition. — Cases before the Court. — American Conditions of Adherence. — International Law. — Registration and Publication of Treaties.

One of the earliest and most important tasks of the League was the creation of the Permanent Court of International Justice. The work of the first and second Peace Conferences at The Hague had developed machinery for

arbitration, but had failed to create an international court of justice owing to divergencies of opinion as to the method of nominating and electing the judges. This difficulty the League was able to overcome largely by the mere existence of the general League organisation itself. The Assembly and the Council ballot separately for the election of judges, and any candidate with an absolute majority in each body is declared elected. Provisions are made for avoiding deadlock, and in the last resort the Court may be completed by co-option on the part of those already elected. Thus the Great Powers, through their position on the Council, have a check on any unjustified claims of the smaller Powers, while the smaller Powers by their influence in the Assembly, can similarly check any undue demands by the Great Powers. The first election in 1921 worked with ease and rapidity.

The Court is composed of eleven judges with four deputy judges, representing fifteen different nationalities (American, Brazilian, Chinese, Cuban, Danish, Dutch, English, French, Italian, Japanese, Norwegian, Roumanian, Serbian, Spanish and Swiss) and all the main branches of civilisation. Judges are elected for nine years and form a court of law, and not of arbitration, which is directed to base its decision on legal principles and on the application of strict law and justice as shown in treaties, international practice and precedent or accepted international teaching. It is free from political influence and recourse to it is open to all States. It is not possible for one State to cite another State before the Court as in the case of proceedings in national courts of law except where provision is definitely made for this in international treaties and conventions, or where the two States involved have signed what is known as the "Optional Clause" of the Court Statute where they may agree reciprocally to the compulsory jurisdiction of the Court on justiciable questions. Provision is being increasingly made in

new treaties and conventions for compulsory reference, and a number of States have adopted the "Optional Clause"

Cases before the Court.

The difficult task of establishing the Court, the principles upon which it should work, the methods of election of judges, and the actual elections themselves, were all completed within less than two years. The Court first sat in February, 1922, and has since been busily engaged. The first three cases were requests for an advisory opinion on questions concerning the jurisdiction and constitution of the International Labour Organisation. The first international dispute to come before the Court was that between Great Britain and France over the French nationality decrees in Tunis and Morocco, upon which it was asked to give an advisory opinion as to whether it was a matter or not solely for the domestic jurisdiction of France, as shown in the political chapter of this pamphlet. The first instance of compulsory jurisdiction was a case arising out of the Treaty of Versailles, where the Principal Allied Powers asked judgment against Germany for refusing passage through the Kiel Canal to the *S. S. Wimbledon*. Germany, having no national on the Court, named Professor Walter Schücking as a judge in accordance with the terms of the Court Statute, and the Court found that Germany had a definite treaty duty to allow access to the *Wimbledon*.

The German Government brought before the Court differences which arose with the Polish Government over certain German property interests in Polish Upper Silesia. This reference to the Court was made under an article in the Polish-German Convention on Upper Silesia, signed at Geneva in 1922, stipulating that any divergencies of opinion resulting from the interpretation of certain articles of the Convention shall be submitted to the decision of the Court.

A case concerning concession rights to a Greek subject in Palestine was brought by Greece, under the terms of the Palestine Mandate, against Great Britain, the Mandatory Power, and was decided in favour of Greece, though Greek compensation claims were not admitted by the Court.

The Court gave advisory opinions on several minority questions including that relating to the expropriation of certain German farmers in Poland, the grant of Polish nationality to certain persons of German race in Poland, and the interpretation of a point of law regarding Greeks liable to expulsion from Constantinople. It also had before it for advisory opinions the Jaworzina case, a frontier question between Albania and the Serb-Croat-Slovene Kingdom regarding the Monastery of St. Naoum, the case of Eastern Carelia, Poland's postal rights in Danzig, and the Council's competence regarding the decision to be taken on Mosul.

American Conditions of Adherence.

In January 1926 the United States Senate passed a resolution consenting to the adherence on the part of the Government of the United States to the Protocol of Signature of the Statute of the Permanent Court on the condition that the Signatory Powers accepted certain conditions, reservations and understandings contained in the Senate resolution. After the Signatory States and the Secretary-General of the League of Nations had been notified of this fact by the United States Government, the Council of the League decided to propose to the Signatories and the United States that delegations should be sent to a meeting in Geneva on September 1, 1926 for the purpose of discussing these reservations. The Government of the United States was unable to accept this invitation, but the Conference met as arranged and drew up a Final Act expressing its views with regard to each of the American reservations.

All were considered acceptable with the exception of one which required that the Court should not, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States had or claimed an interest. The Conference drew a distinction between an advisory opinion asked for in the case of a dispute to which the United States was a party and an advisory opinion asked for in the case of a dispute to which the United States was not a party but in which it claimed an interest. With regard to the first class of disputes the Conference considered it was sufficient to draw attention to the jurisprudence of the Court which, on a request addressed to it for an opinion on the Eastern Carelia case, had declared that the Court was not competent to give an opinion; the Court it based this conclusion on the fact that the question submitted formed the subject of a dispute, and that to give a reply would be tantamount to deciding the dispute, and on the further fact that Russia had taken no part in the proceedings and had refused to do so. In the view of the Court, it was not possible in such circumstances to give an opinion upon an existing dispute between a member of the League of Nations and a State which was not a member, without the consent of the latter, having regard to the principle of the independence of States as expressed in Article 17 of the Covenant. With regard to the second class of disputes, the Conference understood that the object of the United States was to assure to itself a position of equality with States represented either on the Council or in the Assembly of the League. This principle the Conference considered should be agreed to, but it observed that the presumption upon which the reservation appeared to rest, namely, that the adoption of a request for an advisory opinion by the Council or the Assembly required a unanimous vote, had not so far been established. In any event, the United States should be guaranteed a position of equality in this respect; that is to say, in any case where a State represented on the Council

or in the Assembly would possess the right of preventing, by opposition in either of these bodies, the adoption of a proposal to request an advisory opinion from the Court, the United States should enjoy an equivalent right. The Conference considered it desirable that the manner in which the consent of the United States would be given should form the object of a supplementary agreement which would ensure that the peaceful settlement of future differences between Members of the League would not be made more difficult.

The Conference decided to recommend to various Governments to adopt the conclusions of the Final Act as the basis of their individual replies to the United States, and asked its President to submit to those Governments a model reply.

International Law.

Another aspect of international law is the large number of new international conventions drawn up by the League on many subjects of international concern, which in themselves are additions to existing international law. The League has also appointed recently a representative and influential committee of international jurists for the progressive codification of international law, the task of this Committee being to recommend to the Council the conclusion of international conventions on subjects where they consider such action practicable and desirable.

Registration and Publication of Treaties.

A further point in relation to legal matters is the provision of the Covenant by which all Members of the League are under an obligation to register with the Secretariat for publication all treaties and conventions. The Members of the League agree, under the Covenant, that no new treaty

shall have validity unless so registered and published. Over 1,200 have been published in this way in a special Treaty Series. These treaties are published in the two official languages—French and English—as well as in their original texts, and are thus more generally available than when they exist in little-known languages.

CHAPTER IV

SECURITY AND ARMAMENTS

League's Obligations. — Reduction of Armaments. — Private Manufacture. — Interchange of Information. — The Draft Treaty of Mutual Assistance. — The Protocol for the Peaceful Settlement of International Disputes. — The Locarno Agreements. — Preparations for Disarmament Conference. — Arms Traffic Convention. — Other Efforts. — Armaments Year Book.

One of the most serious problems of the League has been that of the reduction of armaments, a task which is specifically laid upon it by the Covenant under various heads. The Members of the League recognise that the maintenance of peace requires reduction of armaments to the lowest point consistent with national safety, and that the manufacture of arms by private enterprise is open to grave objections; they undertake to consider how such "evil effects" may be prevented. The League is also entrusted by the Covenant with the general supervision of the trade in arms and ammunition in the countries in which the control of this traffic is necessary

in the common interest. The Members of the League undertake to interchange full and frank information on all armaments questions.

While it is recognised that the maintenance of peace requires reduction of armaments, it is equally true that the reduction of armaments requires confidence in the maintenance of peace. In other words, the armaments problem is not a separate thing in itself; the whole field of political relations is involved. Nations will agree to arms reduction when they feel that the political relations of the world make it safe to do so. The limitation of armaments then plays its part in the preservation of peace.

The problem has been under close and continuous consideration from the beginning and many avenues of approach have been explored.

The work can only be accomplished after the most careful preparation and in favourable political conditions. This is the opinion held by all the organisations of the League which have been engaged upon it.

The Geneva Protocol.

The first concrete proposals were produced by a special committee set up by the League in the form of a draft Treaty of Mutual Assistance by which States would agree that aggressive war was illegal, that States in the same continent would come to the aid of another State wrongly attacked, and that in return for this guarantee all States would agree to proportional disarmament without which they would be unable to claim the protection of the Treaty. This was submitted to the Governments for their consideration but its details did not receive sufficient support to secure adoption. At the 1924 Assembly, when the replies of the Governments were presented, a full consideration of the problem was

renewed and finally took shape in the Protocol for the Pacific Settlement of International Disputes, or what is more commonly known as "The Geneva Protocol", the acceptance of which was unanimously recommended by the Assembly to the earnest attention of the Governments.

This plan came under the three heads of Arbitration, Security, and Reduction of Armaments. The signatory States were to recognise as compulsory the jurisdiction of the Permanent Court of International Justice in justiciable questions; they were to agree to a detailed system of compulsory arbitration for non-justiciable cases not settled by mediation, and any State resorting to war in violation of its undertakings would be an aggressor. Provisions were included to assist in the definition of the aggressor, and upon the Council's declaration as to which was the aggressor State, the other States signatories of the Protocol would be under an obligation loyally and effectively to co-operate in support of the Covenant and in resistance to any act of aggression in the degree which their geographical position and their situation as regards armaments allowed. The whole scheme was made dependent upon the production and adoption of a plan for the reduction of armaments at a conference which was to be summoned for this purpose as soon as a given number of ratifications of the Protocol had been received.

This is merely a skeleton outline of a comprehensive plan which attempts to provide for most possible eventualities; nearly a score of States signed and one ratified. The British Government, at the Council meeting in March, 1925, announced that, while sympathising with the objects aimed at, it could not accept the Protocol, and considered that the more satisfactory way of progress was to supplement the Covenant by making special arrangements in order to meet special needs. These arrangements should be framed in the spirit of the Covenant, working in close harmony with the League and under its guidance, and could best be attained

by knitting together the nations most immediately concerned and whose differences might lead to a renewal of strife, by means of treaties framed with the sole object of maintaining as between themselves an unbroken peace.

This and other declarations came before the 1925 Assembly at a moment when negotiations were taking place for the conference between Germany and the western Powers which eventually opened at Locarno in the month of October. The Assembly passed a resolution regarding favourably the effort being made by these nations to attain the re-establishment of mutual confidence by conventions and treaties of mutual security in the spirit of the Covenant and in harmony with the Protocol principles of arbitration, security and disarmament. Reserving the question of a new general convention, the Assembly called the attention of its Members to the desirability of concluding conventions for arbitration and the judicial settlement of disputes, and recommended that progress be reported to the following Assembly.

The Locarno Agreements.

The Locarno Agreements were signed on December 1, 1925 and, in the final protocol of the Conference, the representatives of the participating Governments declared their firm conviction that the entry into force of the Treaties and Conventions would hasten effectively the disarmament provided for in Article 8 of the Covenant of the League. They undertook to give their sincere co-operation to the work relating to disarmament already undertaken by the League and to seek its realisation in a general agreement. The 1926 Assembly recorded its conviction that the general ideas embodied in the Locarno Treaties might well be included amongst the fundamental rules which should govern the foreign policy of every civilised nation. It requested the

Council to recommend to Members of the League to put these principles into practice and to offer, if necessary, its good offices for the conclusion of suitable agreements likely to establish confidence and, as a result, to facilitate the reduction and limitation of armaments.

Preparation for a Disarmament Conference.

In the interval between the 1925 and 1926 Assemblies the Council, acting on the suggestion of the Assembly (which considered that the League should be ready when the opportune moment arrived) appointed a Preparatory Committee for a Disarmament Conference composed of representatives of States Members of the Council and of several other States Members of the League occupying a special position regarding the disarmament problem. The German, American and Russian Governments were also invited to appoint representatives. Germany (who at that time was not a Member of the League) and America accepted, but Russia declined.

This Preparatory Committee with the appropriate technical bodies attached to it, has been studying in close detail a list of questions bearing on a whole variety of military, naval, aerial and economic aspects, and was still engaged upon this task when the 1926 Assembly met. This Assembly considered that as the general political situation had improved, a Disarmament Conference could and should be convened, and recommended that it should take place before the 1927 Assembly "unless material difficulties render this impossible". It recorded its opinion that the reduction and limitation of armaments should correspond to existing conditions in regard to regional and general security, and that there should be no question of finally solving the problem at the first attempt. The Conference would only be the first of a series, and even apart from the importance of the reductions and limitations which it might bring about, it

must in any case have the immense advantage of transforming into an international contract the degrees of armaments of the different States, and of thus putting a stop, for a definite period, to any possibility of unlimited competition in armaments. The work of the Preparatory Commission continues towards this end.

Apart from these considerations of fundamental requirements for the reduction of armaments, the League has devoted close attention to other features of the problem. A draft convention has been drawn up on the supervision of the private manufacture of arms, and if the Disarmament Conference does not take place before the next Assembly, it is proposed to hold a special conference to deal with this particular matter.

A Committee of the Council is considering suggestions put forward by the French, Polish and Finnish Governments. The French Government asked for a study of the means for facilitating and hastening, in times of emergency, a meeting of the Council, the execution of its decisions, and the carrying out of the obligations of the Covenant in the case of war or threat of war. The Polish proposal calls for the consideration of the question of regional assistance in relation to regional disarmament, and the Finnish proposal for an examination of the practical means by which small States in need of special security owing to geographical or other exceptional circumstances, could obtain sufficient guarantee as regards immediate financial assistance to enable them, in the event of their becoming the victims of unprovoked aggression, to purchase material and supplies necessary for a successful defence until general assistance by the League is forthcoming.

Traffic in Arms.

One other important feature of the League's work was the drawing up of a convention on the Traffic in Arms.

Efforts were first made by the League without avail to secure the ratification of the St. Germain Convention for the control of the traffic in arms, the failure having been largely due to the inability of the United States to accept the Convention. A new draft convention to take its place was, however, elaborated with the assistance of American representatives, and an International Conference of forty-four States, including the United States, Germany and Turkey, met in Geneva in May-June, 1925, to consider this draft. The Conference reached agreement on a Convention, a Protocol relating to chemical and bacteriological warfare, and a Final Act.

The object of the Convention is to establish a general system of supervision and publicity over the international trade in arms, munitions, and implements of war, and a special system for certain areas where such measures are generally recognised as necessary. Governments alone have the right to export or import arms exclusively designed for war, and consignments for export must be accompanied by a licence or declaration of the importing Government. Arms and ammunition capable of use both for military and other purposes may only be exported under cover of export documents, and for both these classes of arms the Convention provides for publicity in the form of the regular and uniform publication of statistical returns. The trade in warships and aircraft is subject to publicity regulations only, and the trade in other arms is free. Special land and maritime zones are established into which the import of all arms is forbidden except in certain conditions. These are the broad terms of the Convention, which treats in detail of special circumstances and permits certain reservations on the part of countries bordering on Russia until the accession of Russia to the Convention. Any dispute on the application or interpretation of the Convention is to be referred to the Permanent Court of International Justice, or, in the case of States not signa-

tories of the Statute of the Court, reference may be made either to the Court or to some other form of arbitration.

In the Final Act the signatories declare that it is desirable that the international aspect of the manufacture of arms should receive early consideration by the different Governments.

The Conference further agreed upon a Protocol by which the Powers recognised that the use in war of asphyxiating, poisonous or other gases, of all analogous liquids, materials or devices, had been condemned by the general opinion of the civilised world; extended the condemnation to the use of bacteriological methods; and accepted the prohibition of such use as part of international law.

The League had previously studied the possibility of means to prevent the employment of poisonous gases in time of war, upon which some suggestions had been made, and a report was drawn up by a special committee giving a descriptive statement as to the form which future warfare might assume so that public opinion might realise the character of the weapons at the disposal of armed forces.

The Convention was immediately signed by nineteen States, and the Protocol relating to chemical warfare by twenty-seven States. The Convention comes into force when ratified by fourteen Powers.

Armaments Year Book.

The Disarmament Section publishes yearly two documents : 1) The Armaments Year Book : General and Statistical Information; and 2) Statistical Information on the Trade in Arms, Ammunition and Implements of War.

1) *The Armaments Year Book : General and Statistical Information.* — This publication provides information on the organisation, effectives, material and budgets relating to the military, naval and air establishments of 59 countries,

Members and non-Members of the League of Nations. The data on which the Year Book is based are all collected from published official documents, and follow the lines laid down by the last paragraph of Article 8 of the Covenant, according to which all signatory States undertake :

“To interchange full and frank information as to the scale of their armaments, their military, naval and air programmes and the condition of such of their industries as are adaptable to warlike purposes.”

2) *Statistical Information on the Trade in Arms, Ammunition and Implements of War.* — This publication may be considered as completing the previous one. It reviews the data available relating to the international trade in arms, ammunition and war material, and is entirely based on documents published by the respective governments. These data, presented in detail Part III of the Year Book, are summed up in Part I in the form of statistical tables uniform for all countries. Part I provides information as to the importance of the purchases of arms and munitions of each country during the last four of five years, the main sources of purchase, the general character of the arms acquired, etc., and similar information as to exports. Part II constitutes a summary of the other data, after the monetary figures have been transformed into one uniform standard the dollar of the United States. The Year Book does not claim to be an instrument of comparison of the trade in arms of the different countries, such comparison being impossible owing to the diversity of the statistical methods followed by each national Customs Office. The Convention concluded at the International Conference held in Geneva in May 1925 aimed, amongst other objects, at the unification of such methods by means of a standard model for the statistical information to be furnished to the League of Nations on this matter.

CHAPTER V

HEALTH AND SOCIAL QUESTIONS

Health — (Epidemics. — Investigations and Enquiries into Sanitary Conditions and Disease. — Interchange of Public Health Officials. — Circulation of Information on Epidemic Diseases). — Opium. — Traffic in Women. — Protection of Children. — Protection of Women and Children in the Near East. — Obscene Publications. — Repatriation of Prisoners of War. — Russian Refugees — International Slavery Convention — Relief of Peoples Stricken by Calamities. — Armenian Refugees.

The work of the League in what may be conveniently termed health, social and humanitarian problems has developed on a world-wide scale. Its health activities have spread throughout Europe and the Eastern Mediterranean, tropical Africa and the Far East, and, as with the other social problems, have attracted to the League the active co-operation of the United States, and, in health matters, Russia. The health and social efforts are based on Article 23 of the Covenant, which obliges the Members of the League "to take steps in matters of international concern for the prevention and control of disease", and which entrusts the League "with the general supervision over the execution of agreements with regard to the traffic in women and children and the traffic in opium and other dangerous drugs."

Efforts have been directed on the one hand to the positive development on international lines of health matters, to the suppression of old abuses such as the traffic in women and children and the illicit traffic in opium, and on the other hand to mitigating the sufferings which war left in its train,

such as those caused by typhus epidemics, and to improving the unhappy lot of prisoners of war, and refugees, whom conflicts or political upheavals have scattered far from their homes. Those tasks not expressly committed to the League by the Covenant were taken up in accordance with the general spirit of the Covenant.

Health.

One of the first activities of the Health Organisation was to aid the local authorities in Poland by means of an Epidemic Commission with the best Western experience to prevent the spread of typhus from Russia through Poland into Europe. It became evident that to achieve this purpose it would be necessary to attack the problem in Russia itself. The Commission therefore went to Russia with the agreement of the Soviet authorities, effective co-operation was secured and offices were opened at Moscow and Kharkov. One of the results was a European Conference at Warsaw in May, 1922, attended by Soviet Russia, the Ukraine, Turkey, Germany, and twenty-four other States, of which the practical result was the preparation of a draft Health Convention which has since become the basis of bilateral agreements between nations in that part of Europe. A series of sanitary courses was arranged for medical officers of health at Kharkov, Moscow, and Warsaw, together with an interchange of experts between Poland and Soviet Russia. A more complete and ambitious plan of campaign agreed upon by the Conference did not enter into practice through lack of financial provision.

The Epidemic Commission was again called into service when the tens of thousands of refugees pouring into Greece after the Greco-Turkish hostilities threatened serious health consequences. Aid was given to the Greek health authorities in carrying out a vaccination campaign on a large scale against typhoid, paratyphoid, cholera, dysentery, and other

epidemic diseases that threatened. Both in Eastern Europe and Greece these were emergency activities.

Other efforts of a more general kind were organised. A commission went to the Eastern Mediterranean and adjacent ports to study the conditions of health and health organisation in this important centre with a view to the revision of the International Sanitary Convention of Paris, 1912. At the request of the Japanese member of the Health Committee, a medical mission was sent to the Far East to study the sanitary, anti-epidemic and quarantine regulations in the main ports with a view to preventing the transmission of disease by sea-borne traffic. From this mission came a recommendation for the centralisation of all Far Eastern epidemiological information in a central office, and this has now been organised at Singapore following a conference of medical representatives of the Far Eastern administrations.

A study has been made and is being continued into the spread of sleeping sickness and tuberculosis, which present problems of the greatest importance, both from the social and economic points of view, to the administrations of Equatorial Africa. Propositions have been put before the Governments to secure co-operation in the prevention of the transmission of disease along international waterways. A wide-spread enquiry has been started into the methods of combating malaria, which had increased greatly in Eastern Europe; Greece and Albania specially asked for expert assistance in this matter. Subjects included in other enquiries are : methods of fighting tuberculosis and rabies (hydrophobia), instruction in public health, infantile mortality, school hygiene and physical education, methods of health insurance, etc.

At the request of the Persian Government an enquiry into the health conditions in Persia was undertaken by a medical expert representing the Health Organisation, and this expert's report giving practical suggestions for sanitary

improvement was sent to the Persian Government. An enquiry is continuing into the causes of the pronounced difference in certain forms of cancer mortality revealed in the vital statistics of several countries, and the Health Organisation has co-operated with the Opium Committee in estimating the world's annual requirements of opium and other dangerous drugs for medicinal and scientific purposes. The Health Organisation started laboratory investigation, conducted simultaneously and on the basis of a common plan by leading institutes all over the world, on sera and serological tests, and progress has been made in connection with standardisation of sera for the treatment of various diseases. A programme of research is being carried out, also, into the standardisation of certain biological products used as powerful drugs, and collaborating in these research plans are the great laboratories of the world.

An important development in the more general realm of public health administration is the system of interchange of public health officials between various countries which has been made possible on a large scale by the generous contributions from the Rockefeller Foundation. In this plan, selected officers of foreign health administrations are brought together in one or more countries, where they study the health administrations and participate in the practical work. At the conclusion of these interchanges, which have varied in length from a few weeks to several months, the officials meet at Geneva and engage in a general discussion upon the knowledge and impressions they have gained. Some of these interchanges, attended by varying numbers of officials ranging from seven or eight to thirty, are devoted to special branches of public health activity such as industrial hygiene, anti-tuberculosis work, school hygiene, etc. Each year some hundred medical officers go through these interchanges in which most of the States of Europe, Africa, Canada, the Far East, South America, and the United States

nave participated. In this direct and personal co-operation between the world's different health administrations, responsible officials are able to become acquainted with the best methods in practice.

The Health Organisation maintains an Epidemiological Intelligence Service. Current reports of the prevalence of epidemic disease are now received from the health services of nearly all the countries where such information is available in Africa, America, Asia, Australasia and Europe. Weekly or monthly statistics on general and infantile mortality and selected causes of death are received from numerous large cities throughout the world. This information is published in a monthly bulletin entitled "The Epidemiological Report", which also contains a general review of the prevalence at the time of issue of the various epidemic diseases. In 1926 a weekly bulletin known as "The Weekly Record" began to be issued in order to distribute rapidly information (a) contained in the weekly telegraphic report from Singapore, giving the number of cases of death from plague, cholera, smallpox and infected rats in the 120 ports (from Alexandria and Cape Town in the West to Honolulu and Papeete in the East) served by the Singapore Epidemiological Intelligence Bureau—a branch office of the central service at Geneva; (b) regarding plague, cholera, yellow fever, typhus and smallpox extracted from official returns received at Geneva during the week ending the day before the issue. The statistics are revised at the end of each year by the national health services concerned and published in the form of annual reports which contain a review of the epidemic situation during the year. All this material is constantly quoted in the publications of the national health services and enables those services to trace the movements of epidemic diseases throughout the world at any given time, as well as to take the appropriate administrative measures to protect their own territory.

The pooling of health statistics has brought out the need for uniformity in statistical methods. This is being met by the issue of publications on the organisation of the various national health services and particularly of their medico-statistical methods, by promoting "interchanges" and other forms of direct co-operation between health statisticians, and by expert study of certain aspects of mortality statistics with a view to introducing uniform definitions and methods.

Opium.

At the beginning the League devoted its attention to securing world-wide agreement to the Opium Convention drawn up in 1912 at The Hague, signatures to which were secured from nearly all the States Members of the League and several non-Members, the majority of whom have ratified. Simultaneously, the Advisory Committee, which was appointed to advise the Council on this subject, studied a more comprehensive plan to render more effective the application of the provisions of the 1912 Convention. The Committee aimed at reducing and confining the traffic to medicinal and scientific requirements, and an investigation was started to discover what these requirements were. Governments informed the League from time to time of seizures showing that the illicit traffic was carried on on a big scale; and finally the United States of America sent a delegation not only to participate in the Committee's work, but later to attend the Fifth Commission of the Assembly which considered and reported to the Assembly upon the progress made in one year and a half. Two plenipotentiary conferences took place at the end of 1924 and continued into the first two months of 1925, the first for the purpose of ensuring the gradual suppression of opium smoking in the Far East, and the second to consider the whole question of production, manufacture, and control of narcotic drugs.

At the first conference an agreement was reached by which the signatory Powers undertook to strengthen the measures already provided for by the Hague Convention and to take any further measures necessary to suppress entirely within a period of fifteen years the consumption of prepared opium in the territories under their authority. This period is to begin as soon as the poppy-growing countries have ensured the effective execution of the necessary measures to prevent the clandestine exportation of raw opium from their territories from constituting a serious obstacle to the reduction of consumption in the countries where the use of prepared opium is temporarily authorised. Provision is made for a commission to be appointed by the League Council to decide when these measures have been effectively executed. All the Powers represented signed these undertakings with the exception of China. A Protocol and a Final Act were also drawn up.

The second conference drew up a Convention providing for the more effective restriction of the production or manufacture of narcotics and establishing closer control and supervision of the international trade. The substances which it is proposed to control are raw opium, medicinal opium, morphine, heroin, coca leaves, crude cocaine, cocaine, ecgonine, and Indian hemp, and provision is made for the internal control of raw opium and coca leaves, of manufactured drugs and Indian hemp. Each country will state in advance its annual needs for medicinal, scientific and other purposes, and the international trade is to be controlled by a system of export authorisations and import certificates. A permanent Central Board is to receive periodically from the contracting parties the estimates of the quantities of narcotics they need, etc., and if it considers that excessive quantities are accumulating in any country so that there is a danger of the country becoming a centre of illicit traffic, it will have the right to ask for explanations from that country.

There is also a Protocol by which the signatory States, recognising their obligations to establish such control over the production, distribution and export of raw opium as would prevent illicit traffic, agree to take such measures as may be required completely to prevent, within five years from the date of the Protocol, the smuggling of opium from constituting a serious obstacle to the effective suppression of the use of prepared opium in those territories where such use is temporarily authorised.

A Final Act contains certain recommendations considered worthy of further study by Governments.

The American Delegation, feeling that it would be impossible for them to realise their programme, withdrew from the Conference, as did China. The President of the Conference stated that the difference between the American Delegation and the Conference was the question as to the moment when the American aims should be realised; the American Delegation contended for immediate action, the other Delegations felt that time was required. The President affirmed his conviction that the problem of drug control had entered a new phase and that the Conference was the opening step in a movement which would accelerate from day to day.

Traffic in Women.

As with the opium question, so with the question of the traffic in women an agreement was drawn up before the war in 1904 to which thirteen States were parties, and a Convention in 1910 to which thirteen States were parties. The First Assembly of the League in 1920 decided to send a questionnaire to all Governments to ascertain the measures taken or proposed in the various countries to combat the traffic, and invited the Council, upon receipt of the replies, to summon an international conference with a view to united action.

Thirty-four States attended this conference, which took place in the summer of 1921, and drew up a number of recommendations for action by the Council. At the Second Assembly in 1921 a Convention submitted by the British Government in which many provisions of the recommendations of the Conference were given conventional form, was opened for signature. Thirty-three States are now full parties to this Convention, which considerably strengthens that of 1910.

Another result of the Conference of 1921 was the appointment of an Advisory Committee upon which five voluntary international organisations are represented as assessors, enjoying the rights of government delegates except that of voting. The Committee receives and studies annual reports on the traffic from Members of the League and from such non-Member States as are parties to any of the international agreements, and studies matters like the employment of women police, emigration and others which bear upon the subject. It has also considered the problem of licensed houses in relation to the traffic, and the Council, recognising the connection which might exist between the two, invited the States to inform the Council of their experiences in the matter. The views expressed so far have shown divergence of opinion as to the necessity of maintaining the system; further reports are to be asked for and an abstract is to be prepared showing the present position.

The Committee is considering the problem of the expulsion of foreign prostitutes in all its aspects—legal, political humanitarian and social—and the Governments are being asked to furnish information. In this connection it recently suggested that, before proceeding to the expulsion of a foreign prostitute, the competent authorities in each country should inform charitable associations of the measures contemplated so that these associations might be in a position to assist the expelled person, to endeavour to provide her with other means of existence and to give her every support and assistance.

Another matter which has come before the Committee is the employment of women police in all matters affecting the protection of women and children. Classified information is being collected on this subject also. Other points of study are the relation existing between the use of alcohol and the traffic in women and children, and the execution of the conclusions adopted by the Conference on Obscene Publications.

On the proposal of the United States representative on the Advisory Committee, and with the warm approval of the Assembly and the Council, a committee of experts was appointed to investigate the extent of the traffic and the effectiveness of the measures hitherto taken to suppress it. The Committee is still engaged upon its task, the expenses of which are being borne by the American Bureau of Social Hygiene up to the sum of 75,000 dollars.

Protection of Children.

The Advisory Committee on the Traffic in Women has been extended to cover the protection of childhood, and it is now known as "The Advisory Commission for the Protection and Welfare of Children and Young People". It is divided into two parts; one part called the Committee on Traffic in Women and Children, and the other, the Child Welfare Committee. The two Committees may meet together in plenary session for the discussion of any question of interest to both.

The Council approved of the Child Welfare programme in June 1925, and the Committee, in collaboration, where necessary, with the Health Organisation of the League and with the International Labour Organisation, is pursuing a task which includes the study of comparative legislation for the protection of life and health in early infancy, and of laws

regarding the age of consent and the age of marriage and penal law; the preparation of an international convention for the assistance or repatriation of children of foreign nationality abandoned or neglected; child labour; family allowances; the effects of the cinema on the minds and morals of children; mental and physical recreation; neglected and delinquent children; and the evil effects of alcoholism. The American Bureau of Social Hygiene placed the sum of 5,000 dollars at the disposal of the League for its work on the protection of childhood.

Both the Assembly and the Council in 1926 drew the attention of the Committee to the necessity of treating all these subjects from the international point of view, providing, for example, a comparison of methods and experiences of different countries which might be likely to assist the Governments in dealing with the problems.

Protection of Women and Children in the Near East.

In the course of the protracted military operations in the Near East, many women were taken from their homes. A Commission was appointed by the League in April 1921, and, acting with strict impartiality as between various races and religions and working in most trying conditions, assisted in restoring to their own people large numbers of women and children. League of Nations Houses of Refuge were set up in Constantinople (under the direction of Miss C. E. Mills) and Aleppo (under the direction of Miss Jeppe). These homes serve as clearing houses where the women and children remain while enquiries are being made. Miss Mills' work, as a Commissioner of the League, comes to an end on December 31, 1926, after which she will continue her work in a private capacity. At Aleppo, the women and children are taught useful trades during their period of residence, and village settlements have been established for the boys. Some

hundreds of people have been rescued, and it is calculated that the essential work will be completed during 1927.

Obscene Publications

The League took up the question of the suppression of the traffic in obscene publications which had also been the subject of international pre-war efforts. The main accomplishment has been the acceptance of an international convention drawn up at a League conference held in Geneva in the summer of 1923, attended by thirty-five States.

The punitive provisions of the new Convention were drawn up with a fulness and precision calculated to expose the traffic at each of its vulnerable points. It is a punishable offence to make or produce or have in possession obscene writings, drawings, prints, paintings, printed matter, pictures, posters, emblems, photographs, cinematograph films, or any other obscene objects by way of trade or for distribution or public exhibition ; to import or export, to carry on or take part in any business, public or private, to advertise, or make known by any means, anyone engaged in such activity, and provision is made for right of search. Each State is left free to give to the word "obscene" the meaning which seems to it appropriate.

A Final Act was also adopted including such recommendations as that offences connected with the traffic should be held to be aggravated when committed in respect of minors, and the Conference expressed a desire—with which some of the delegates disagreed—that steps should be taken to arrive at an international agreement on incitement to abortion and anti-conception propaganda.

Repatriation of Prisoners of War.

In April, 1920, half a million war prisoners or interned soldiers were still vainly waiting, sometimes in conditions

of appalling misery, for means to be sent home. The position became so serious that one report predicted the probable death in the ensuing winter of most of the prisoners left in Siberia, variously estimated at between 120,000 and 200,000. The Council of the League appointed Dr. Nansen to co-ordinate the efforts which had been made hitherto by charitable organisations and to organise repatriation. The undertaking was enormous, but Dr. Nansen was able to secure credits from the Western Governments and organised a fleet of steamers under League charter in the Baltic and the Black Sea. With the collaboration of all the agencies and of the Governments concerned, Dr. Nansen, by July 1922, had carried out the task, which cost not more than £400,000. Altogether 427,386 prisoners belonging to twenty-six different nationalities were repatriated.

Russian Refugees.

In 1920 there were more than one and a half million refugees scattered about Europe unable to claim any State as their own, and most of them penniless. The Council of the League, as with prisoners of war, entrusted Dr. Nansen with the co-ordination of all relief work in this respect, and a conference of Government representatives held at Geneva in August, 1921, laid down the lines of action. With the help of Governments and charitable associations, food and lodging were organised for the destitute, but the real problem was to enable refugees to live by their own work. A census was taken and offices were set up in most of the capitals of Central and Eastern Europe, in some of which employment agencies were formed. Considerable redistribution was effected; a system of identity certificates was established for refugees without passports, so as to afford them the right of free circulation; and great progress has been made in providing education and finding employment. Guarantees were also secured from the Soviet Government

for the friendly reception of those who might desire to be repatriated.

A special problem arose through the withdrawal of important assistance hitherto rendered to Russian refugees in Constantinople, 25,000 of whom were threatened with complete destitution. Dr. Nansen urgently despatched a cargo of flour; the French Government agreed to continue the maintenance of part of the refugees; the American Relief Administration and the American Red Cross undertook to provision them for four months and to contribute 25,000 dollars towards evacuating them to countries where they could find work, on condition that the League found the sum of £30,000.

Great Britain contributed £10,000; other Members of the League brought this figure up to £17,000 and the balance was made up by the American Red Cross. With the help of a Committee these refugees were sent from Constantinople to America, Germany, Belgium, Hungary, Czechoslovakia, and the Kingdom of the Serbs, Croats and Slovenes. One thousand others found work locally. What remains of the problem mainly concerns employment, and is now in the hands of the International Labour Organisation.

International Slavery Convention.

Following upon the work of a committee appointed to enquire into slavery and forced labour, a draft Slavery Convention was presented to the 1925 Assembly by the British delegation. During the interval between the 1925 and 1926 Assemblies observations on the draft Convention were presented by various Governments, and the Assembly of 1926 approved the final text of an International Slavery Convention which has been signed by thirty States.

The object of the Convention is to complete and extend the work accomplished by the Brussels Act of 1889-1890

and other international agreements. It provides for a formal undertaking on the part of signatory States to prevent and suppress the slave trade; to endeavour progressively and as soon as possible to bring about the entire suppression of slavery in all its forms; to take measures to prevent forced or compulsory labour from developing into conditions analogous to slavery. Disputes arising between signatories as to the interpretation or application of the Convention, if not settled by direct negotiation, are to be referred for decision to the Permanent Court of International Justice. An annual report is to be presented to the Assembly to enable the League to continue its endeavours to secure the suppression of slavery and analogous conditions. The Assembly resolution on the subject, while recognising that forced labour for public purposes was sometimes necessary, expressed the opinion that as a general rule it should not be resorted to unless it were impossible to obtain voluntary labour, and that it should receive adequate remuneration.

Relief of Peoples Stricken by Calamities.

The question of an international union for the relief of peoples overtaken by disaster was originally brought before the League in 1922 in the form of a scheme drawn up by Senator Ciraolo, President of the Italian Red Cross. Governments were asked for their views on the plan, and as a consequence of observations received a Committee was set up and in 1925 submitted a draft scheme to the Assembly. The Committee was again convoked to carry out suggestions made by the Assembly and the draft statutes which it finally drew up were sent by the Council to Governments in December 1925 for formal examination. By September 1926 the Council, which had received thirty-one replies, mostly favourable, asked the Committee to consider, and if it thought fit, amend the statutes in the light of these replies.

It further decided in principle to convene a diplomatic conference during 1927 to conclude an agreement for the definite establishment of an International Relief Union. The Committee completed its final draft in November 1926 and this will be sent to the Governments when the invitations for the conference are issued.

The object of the Union, according to the draft statute, is to co-ordinate relief work on a strictly neutral basis; States members of the Union will be called upon to contribute an initial fund amounting to about £25,000, but this will be their sole contribution. This initial fund will be available for immediate use in the event of a calamity, until the amounts provided by public subscription, which will form the normal resources of the Union, become available. A general council upon which all members of the Union (that is, States which adhere to it) are represented will serve as a deliberative and constitutional body, and the agent of the Union will be an executive committee consisting of seven members appointed by the general council with two representatives of the International Red Cross co-opted in an advisory capacity; it will have full powers to act in the name of the Union whose central permanent offices will be provided by the International Red Cross.

Armenian Refugees.

After the retreat of the Greek army from Asia Minor 120,000 Armenian refugees arrived in Greece and the Greek Government asked the League Council to take measures to provide the Armenians with a National Home in the Caucasus. Dr. Nansen was asked to investigate the possibilities in collaboration with the International Labour Office. A competent enquirer was sent to Erivan by a Settlement Commission appointed by the Council and a scheme has been set up for irrigation works in Armenia which, it was

estimated, would permit the settlement of 25,000 refugees. The Council, declared that it would be prepared, if requested to do so by the interested parties, to arrange for the supervision of the expenditure of any funds for the purpose which might be contributed from private sources, either as a loan or as a gift, on the understanding that it accepted no moral or legal responsibility for the securities of the loan. The sum of 15,000 francs was voted by the 1926 Assembly to enable Dr. Nansen to cover the printing and distribution of literature for the purpose of putting proposals before possible contributors in Europe and America. The cost of the scheme is estimated at one and a half million pounds sterling.

CHAPTER VI

OTHER TASKS

Mandates. — Minorities. — Saar. — Danzig. — Intellectual Co-operation. — International Organisations — Publications.

Mandates.

When the Peace Conference came to the consideration of the disposition of the former German colonies and the Arab provinces of the former Turkish Empire, it decided that these territories should be administered by certain Powers "as a sacred trust of civilisation" under the general supervision of the League and in the interests of the well-being and development of the natives: the so-called man-

dates system. The character of the mandate was, however, to differ according to the stage of development of the people, the geographical situation of the country, its economic conditions, and other similar circumstances.

There are three classes of Mandates known as the "A", "B" and "C" Mandates.

According to the terms of Article 22 of the Covenant, the "A" Mandates are applied to communities which have reached a stage of development where their existence as independent nations can be provisionally recognised subject to the rendering of administrative advice and assistance by a Mandatory until they are able to stand alone. These territories are Palestine, Syria and Mesopotamia (Iraq), France being the Mandatory Power for Syria and Great Britain being responsible for the other two.

For the territories under "B" Mandate—comprising the former German colonies in Central Africa, Togoland and the Cameroons (each divided between France and Great Britain as Mandatories) and German East Africa (divided between Great Britain and Belgium)—it is recognised that self-government would be impossible, and that the Mandatories must carry on their administration subject to certain safeguards in the interests of the native population, and to guarantees of economic equality to nationals of all States Members of the League.

The third group of territories, the "C" Mandates—South-West Africa (Mandatory: Union of South Africa) and the former German possessions in the Pacific (German Samoan Islands, under New Zealand; the Island of Nauru, under the British Empire; the other German Pacific possessions south of the equator, under Australia; the German islands north of the equator, under Japan) are subject to the same safeguards for the interests of the indigenous population as the "B" territories, but can best be administered, states the Covenant, as integral portions of the territory of the Mandatory.

These territories were allocated by the Principal Allied Powers, to whom they had been surrendered, and not by the League. The League's action began only when the League Council was called upon to decide whether the terms of the draft "Mandates" under which the Powers were to exercise their jurisdiction, were in conformity with the principles laid down in the Covenant. The definition by the Council of the "A" and "B" Mandates was considerably delayed, partly owing to prolonged negotiations between the United States and the Mandatory Powers. While the "C" Mandates came into force in December 1920, the "B" Mandates were not defined until July 1922, and the Mandates for Palestine and Syria did not become effective until September, 1923. A special situation arose regarding Iraq, as a consequence of political developments which had taken place in this country since 1920. In September 1924 the Council took a decision recognising a treaty with subsidiary agreements between the British Government and the new kingdom of Iraq as enabling Great Britain to fulfil her obligations as Mandatory for this territory. The League's decision on the frontier with Turkey required a new treaty which was subsequently forwarded to the League and approved by the Council (March 1926) extending the mandate to cover a period of twenty-five years unless Iraq before that period has elapsed become a Member of the League.

In accordance with the Covenant the Mandatory Powers present annual reports to the League on the administration of the mandated territories; these reports are examined by a special commission appointed by the Council to advise it on all matters relating to the observance of Mandates. The Permanent Mandates Commission is composed not of the Government representatives but of ten independent experts, the majority of whom are citizens of non-mandatory countries. An accredited representative of each Mandatory Power attends the meetings of the Commission when the report

of his Government is discussed, in order to give any additional information that may be required. It is an increasing practice for the Mandatory Powers to send in this capacity, whenever possible, actual or former administrators in the territories concerned. The Commission, after a very thorough examination of the reports, presents its observations to the Council of the League, which brings to the attention of the Mandatory Powers such suggestions as may be considered advisable. To facilitate the preparation of the reports and to emphasise the points to which special attention is paid in its examination, the Commission has drawn up detailed questionnaires for the different groups of territories. The Commission has also dealt with certain general mandates questions whose solution has seemed desirable in the interest of the development of the mandated countries. Such questions include : the extension of the benefits of international conventions to mandated territories; common measures to be taken for the repression of the liquor traffic; the possibility of certain frontier modifications in the interest of the inhabitants; the application of the principle of liberty of conscience, etc. During its third session the Commission gave special attention to the problems which arose in connection with the rebellion of the tribe of Bondelzwarts in South-West Africa, a matter which was also discussed at the third and fourth Assemblies. A special session of the Commission took place in February 1926 to examine the situation in Syria resulting from the rebellion in the Jebel Druse.

The Commission, which was constituted in the beginning of 1921, has held ten sessions, and now meets twice a year to examine the annual reports from the fourteen territories concerned. Its meetings, apart from the actual examination of the reports of the Mandatory Powers, have also become already a valuable means of exchanging experience and establishing co-operation between the Powers with colonial possessions.

The Protection of Minorities.

The Peace Conference drew up a series of treaties for the protection of minorities. They guarantee protection of life and liberty, free exercise of religion, free use of the mother-tongue, and the opportunity of education in that tongue whenever the minority constitutes a considerable proportion of the population. The nine States bound by these treaties, and five other countries which have made minority declarations to the League Council, recognise that these stipulations constitute fundamental laws for them and that they represent obligations of international concern. Any violations may be brought to the attention of the Council of the League by any member of the Council, and petitions may be addressed to the League; if so, they are forwarded to the interested Government for any comments it may care to make. Petitions, together with the Government's comments, are then sent to the members of the Council, and a small committee of the Council examines the questions. If this committee, or any other member of the Council, finds that the matters deserve attention they are then definitely placed on the agenda. There is thus a continuous agency concerned with this extremely delicate matter.

While it frequently happens that the questions are settled before coming definitely on to the Council agenda, five or six cases have, in fact, come eventually before the Council, and certain legal aspects of two or three of them were referred to the Permanent Court of International Justice for advisory opinions. One of these involved the right of the Polish Government to expel certain Polish citizens of German race from their farms in Western Poland and another concerned Poland's obligations in regard to the nationality of German residents in Poland. The opinions expressed by the Court in these two cases enabled the Council to reach a settlement on the substance of the two cases. There was also a refe-

rence by the Council to the Court of a legal question concerning Greeks subject to expulsion from Constantinople, a matter upon which the Greek and Turkish members of the Mixed Commission for the Exchange of Populations between Turkey and Greece had been unable to agree. The Court's opinion was accepted by both Greece and Turkey. Other matters before the Council concerned some aspects of minority rights in Lithuania, and a petition from a number of farmers of Hungarian origin regarding the operation of a particular article of the Roumanian agrarian reform law.

The Saar Valley.

The League's responsibility in regard to the government of the Saar Basin is one of the most difficult tasks which the League has to carry out under the Treaty of Versailles. The territory, which is composed almost entirely of German inhabitants, was placed by the Treaty under the trusteeship of the League, which appoints annually the Governing Commission, consisting of a Frenchman, a Saar inhabitant, and three members belonging to countries other than France or Germany. The Commission is directly responsible to the Council of the League. In 1935 a plebiscite is to be taken as to whether the inhabitants wish the territory to be returned to Germany, be transferred to France, or to remain under League control, and steps have been taken by the League to ensure the preservation of the necessary archives.

All the mines in the Saar are given over to France in sole possession as compensation for the destruction of the coal mines in Northern France, and there are important rights in the economic field which have been given to France by the Treaty. The League, therefore, has an appearance of imposing upon the population a foreign government without parliamentary form, and this government has to be carried out under continual controversy which not unnaturally arises

in view of the pending plebiscite. This complicates the difficulties of the actual problems involved in the government of the territory.

The administrative success of the Commission, particularly in the operation of the Saar railway system and in its financial organisation, is undisputed. The chief difficulties have been of a political nature. A variety of complaints from the German Government has been considered from time to time by the Council concerning the presence of French troops in the territory, the introduction of the French franc as sole legal currency in the Saar, questions of education, generally alleging undue regard for French interests on the part of the Governing Commission. On the other hand, the reports of the Governing Commission have not been without protests against German interference in the territory. Probably the most serious difficulty arose from the Governing Commission's decree for the maintenance of order during the miners' strike in 1923. This accentuated already existing controversies and led to a general investigation by the Council of the League. The meetings were attended by the five Commissioners, and a unanimous resolution was passed reasserting the general principles governing the administration. This discussion and resolution had an ameliorating effect upon the situation.

With regard to the presence of French troops, which has been a repeated subject of discussion, the Commission has felt the necessity of retaining them for the maintenance of order and protection of property, but at the request of the Council gradual and continuous increase has been made in the organisation of the local gendarmerie. Parallel with this there has been a gradual diminution of the number of French troops. This process is still in operation.

The Free City of Danzig.

As in the League-governed territory of the Saar France possesses coal mines and other privileges in compensation for the devastations of war, so in the League-protected, but self-governed City of Danzig, where the German race also predominates, Poland possesses, in addition to the right to conduct Danzig's foreign affairs, many rights, chiefly of an economic character, to ensure to her free access to the sea, and thus give her a proper opportunity for development.

It was one of the most difficult territorial problems which confronted the Powers at the Peace Conference, and the ultimate settlement placed the Free City under a constitution guaranteed by the League of Nations with its port administered by an International Harbour Board. Danzig, wedged in between East Prussia and the Polish Corridor, is the chief outlet to the sea for Polish trade, and it is interesting to note that the total net registered tonnage of sea-going vessels entering and leaving Danzig in 1925 was 3,700,000 tons compared with 1,900,000 tons in 1912.

The League has a resident High Commissioner to serve as a court of first instance in disputes between Poland and Danzig with the right of appeal to the Council. While a great many differences between Poland and Danzig have been settled by direct agreement, a large number of cases have in the past come before the Council on a wide range of subjects. It frequently happens that the appeals have ultimately been withdrawn as a result of negotiations directly between the two parties through the good offices of the High Commissioner, and in a recent case, namely, on the Polish postal rights in the Free City, the Council asked the Permanent Court of International Justice for its legal opinion.

As is recorded in another part of this pamphlet, the collaboration of the Financial Committee of the League enabled

the Municipality of Danzig to raise a loan of one and a half millions sterling for municipal and harbour works.

Both the Danzig and Saar arrangements are Peace Conference compromises between the theory of self-determination and certain national interests and the only concern of the League has been to deal with the application of the texts.

Intellectual Co-operation.

For the purpose of simplifying, strengthening and extending international intellectual relations, the Council appointed in 1922 a Committee on Intellectual Co-operation composed of eminent people from different countries.

A careful choice of work has been necessary within the limited funds of the Committee. One of its first steps was the institution of a general enquiry into the conditions of intellectual life in different countries, and a series of monographs has been issued on the subject. Efforts were made to bring assistance to those nations whose intellectual life was specially affected through economic conditions; suggestions were made to universities, academies, and learned societies throughout the world to organise the exchange of books and scientific instruments, and a large number of institutions responded. Books were sent from America, England, India, etc., to those in need of them, and gifts made by the Japanese universities made it possible to award two scholarships to Austrian students. Certain publications were obtained for the Polish Academy, the Budapest Observatory, the School of Mines at Sopron, the universities in Roumania etc., and exchanges have been organised between the Department of Scientific and Industrial Research in London and institutions at Athens, Dorpat, Vienna, etc.

The general organisation of international intellectual life

has been promoted by the formation of a number of national committees for intellectual co-operation working closely in touch with the International Committee : thirty-two of these are now in existence. The Committee has kept in close touch with existing organisations. A Bulletin for University Relations is published by the Institute of Intellectual Co-operation as part of an effort to effect better contact between the universities, professors and students. This Bulletin gives details as to the extent to which courses of study, degrees and diplomas are given international recognition, as to the curricula of different Universities, particularly international vacation courses of study on contemporary nations, and the teaching of modern languages, literatures and civilisations.

The Committee has drawn up a draft convention on scientific property, aimed at securing for scientists all rights in their discoveries. This draft has been submitted to Governments and to the Economic Committee of the League, and further enquiry is being made on the subject. Other questions, such as the legal position of international associations and the suppression of artistic forgeries, are being considered. A draft of proposed legislation and a proposed international convention have been framed concerning copyright, in both cases based on existing national legislation in this field. The question of so-called *droit de suite* (artists' rights in regard to the increase in the value of their work) has also been taken up, as well as that of the right of artists to maintain their works intact (that is, measures to prevent works of art from being mutilated or changed without the author's consent, or from damage resulting from misunderstanding of the author's intentions).

The Committee has also dealt with the question of the revision of the International Convention of 1886 on the exchange of official or other publications between Governments.

One of the essential problems of intellectual co-operation is the international organisation of scientific information, and in particular of bibliography. The rapid and regular exchange of scientific information, particularly in the form of analytical summaries of review articles, is of considerable interest to scientists, who should be enabled to keep in touch easily with publications and discoveries abroad. This question has been discussed by the Committee in relation to various branches of science, notably physics and allied subjects, economics, Græco-Roman archæology, and the biological sciences. In some of these fields, the work, which includes the consultation of experts and agreements with directors of special scientific publications, is already beginning to give practical results.

The Committee has published a Bibliographical Index which is the first international list of existing periodicals and bibliographical institutes. An arrangement has been made with the International Biographical Institute at Brussels, which collaborates with the Committee for Intellectual Co-operation, for the publication, beginning with this year, of a supplement bringing this Index up to date.

The Committee has been active in the field of arts and letters. It has decided to set up an International Museum Office to help in improving the international organisation of information concerning the contents of museums and the development of relations between museums. This branch of work has resulted in a meeting of representatives of the big official chalcographical institutes in order to organise exchanges of engravings and common exhibitions. The organisation of an international congress and exhibition of popular arts has been suggested for the autumn of 1927. As regards music, various international questions are being considered, such as the exchange of concert programmes and the standardisation of pitch. A committee of experts will consider the possibility of organising international co-

operation in the field of letters, particularly as regards translations, knowledge of contemporary literature, and the theatre.

An important development was the generous offer of the French Government (accepted by the League) to provide ~~and maintain~~ an international institute for intellectual co-operation in Paris with an annual subsidy of two million French francs. This institute was established in 1925 under the direction of the Intellectual Co-operation Committee acting as the Governing Body, which draws up the budget and fixes its programme. The Governments of Czechoslovakia, Poland and Hungary have granted subsidies, and it is hoped that further grants from Governments will enable the Institute, which has considerably reinforced the committee's means of action, gradually to extend the scope of its activities. An offer similar in nature was received and accepted by the 1924 Assembly from the Italian Government for the provision of an institute for the unification of private law with an annual subsidy of one million lire.

The 1923 Assembly passed a resolution urging upon the Members of the League the fundamental importance of arranging that the children and youth of their respective countries should be made aware of the existence and aims of the League of Nations. The 1924 Assembly again emphasised the value which it attached to training the younger generation to regard international co-operation as the normal method of conducting world affairs, and drew attention not only to the instruction of youth in the ideals of the League, but also to the necessity of encouraging contact between young people of different nationalities. The Secretariat was instructed to investigate the means by which these efforts might be increased and co-ordinated and to furnish a report to the 1925 Assembly.

The 1925 Assembly, on receipt of this information, suggested that the Committee on Intellectual Co-operation

should appoint a sub-committee of experts to consider the best methods of co-ordinating all official and unofficial efforts designed to familiarise young people with the principles and work of the League. This sub-committee was appointed and at its meeting in August 1926 drew up a series of practical proposals covering all grades of education ~~from~~ primary schools to universities. A suggestion was also made regarding text books for teachers and courses of instruction. In order to secure the co-operation of the administrative authorities, professors, teachers, and voluntary associations, the sub-committee recommended that national conferences should be called in each country by the different Governments, in consultation as far as possible, with the National Committee for Intellectual Co-operation. The 1926 Assembly urged the Governments to give the report their sympathetic consideration and to take the measures necessary to give effect to all or any of its recommendations which might be found suitable in their respective countries.

Replies received from the Governments on the subject of education in the schools, indicated a considerable extension of such teaching. The Secretariat, in its investigation into efforts to promote contact, found a widespread interest in this subject on the part of the organisations working towards this end, and received from them numerous constructive suggestions.

The League has also been instrumental in obtaining from many Governments special travelling facilities for groups of students and members of youth organisations in accordance with the same idea of facilitating international contact.

International Organisations.

Under Article 24 of the Covenant any international bureau already established by general treaties may be placed under the direction of the League if the parties to such treaties

consent, and any such bureaux so established after the coming into force of the Covenant are to be placed under the direction of the League. Four such organisations have been granted affiliation, namely, the International Relief Bureau created to provide governmental co-operation for the succour and ~~the return~~ to their native countries of persons who become indigent in foreign lands; the International Hydrographic Bureau, which was established at Monaco to establish a close and permanent association between the hydrographic services of the different States and to co-ordinate their efforts with a view to rendering navigation easier and safer in all the seas of the world; the Central International Office for the Control of the Liquor Traffic in Africa, and the International Committee for Air Navigation.

The Section of the League Secretariat concerned with this work issues a Hand-book of International Organisations containing a list and short description of some 380 international organisations. It also publishes a Quarterly Bulletin of Information on the work of International Organisations, the material for which is furnished by the organisations themselves. The Section is authorised by the Council to open a register for international organisations of a social, scientific, artistic or literary character.

PUBLICATIONS OF THE LEAGUE

Periodicals. — Of the periodicals issued by the League of Nations the *Official Journal*, which is published in separate French and English editions, contains the complete minutes of the sessions of the Council, the texts of reports and resolutions adopted by the Council and the principal official documents received and despatched by the Secretariat. Complete records of all Assembly proceedings are published as special supplements. There have been published also, more especially during the earlier years of the League, special sup-

plements containing such matters as the constitution of the Free City of Danzig, the Draft Scheme for the institution of the Permanent Court of International Justice, and documents concerning the dispute between Poland and Lithuania.

The *Treaty Series* includes international engagements of all kinds registered under Article 18 of the Covenant. The texts of the treaties are published in their original form together with the English and French translations, and make the most complete collection of the kind existing.

The *Monthly Summary*, which is issued in six languages, (English, French, Italian, Spanish, Czech and German), is a record of all the proceedings of League meetings and provides in general form a regular account of League activities, but it does not rank as a strict official document. Various supplements of this publication have been issued also, giving full details and documentation on matters like the Austrian and Hungarian reconstruction schemes, the Greek Refugee Settlement scheme, etc.

The *Monthly Bulletin of Statistics* is a synopsis of the economic position of the leading commercial countries of the world showing coal, iron and steel production, foreign trade, price movement, cost of living, unemployment, gold reserves, the note circulation, exchange and discount rates, etc. based on official information specially supplied each month. The data apply to nearly fifty countries.

Other periodicals are the *Military Year Book*, the *Quarterly Bulletin of Information* on the work of International Organisations, *Monthly Epidemiological Report*, the bi-monthly *Bulletin of the International University Information Office*.

Pamphlets. — In order to render information about the League easily accessible, a series of pamphlets, of which this pamphlet forms part, has been issued on various aspects of the League work. These pamphlets which, like the *Monthly Summary* are not of a strictly official character,

are intended for the use of the general public. They are all issued in both English and French, and many of them are issued also in a number of other languages. They are divided according to subjects, and contain in addition to the present pamphlet, one on the Constitution and Organisation of the League. The Geneva Protocol and relevant reports also exist in pamphlet form.

An illustrated album has been published by the Information Section. This Section also has a service of films, photographs, and lantern slides, and has just prepared and exhibit of twenty-eight large placards showing, by photographs, charts and essential data, the general organisation and work of the League.

Other Publications. — The other publications are too numerous to give in detail; complete information is obtainable in the catalogue issued periodically by the Sales Department. They include the annual reports to the Assembly on the work of the Council; the records of League conferences and committees; expert reports on special subjects like those of double taxation and the reconstruction of Austrian railways; international conventions drawn up at League meetings; regular reports from the Commissioners-General of the League in Austria and Hungary; reports from the Greek refugee settlement commission; memoranda on currency; public finance; budget expenditure on national defence; a series of brochures on intellectual conditions in various countries; reports presented by the Saar Governing Commission, etc., etc.

All publications are issued in English and French (the two official languages of the League) and made available through the Sales Department of the Secretariat, which has agents in many countries.

IMPRIMERIE BERGER-LEVRAULT. NANCY-PARIS-STRASBOURG — 1926

THE LEAGUE OF NATIONS

THE REDUCTION OF ARMAMENTS

and the

ORGANISATION OF PEACE

Information Section,
League of Nations,
GENEVA.

NOTE

This pamphlet is one of a series issued by the Information Section of the Secretariat of the League of Nations on various aspects of League work. It should not be regarded as an official statement engaging the responsibility of the League; for official purposes, reference should be made to the official minutes and reports.

June 1928.

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THE REDUCTION OF ARMAMENTS

AND THE ORGANISATION OF PEACE

INTRODUCTION

I. — CHARACTER AND SCOPE OF WORK ON THE REDUCTION AND LIMITATION (I) OF ARMAMENTS.

The problem of the reduction of armaments is dealt with in a special article of the Covenant, and its solution is considered by many to be one of the fundamental duties of the League. It has been studied by the League ever since its creation. More than any other question, it has occupied the attention of the annual Assemblies; on many occasions the entire interest of the debate has centred on it; and every year, technical commissions have met for many weeks to study it. Today, the bodies dealing with the reduction of armaments and relevant questions occupy an important place in the general organisation of the League. They include representatives of the greatest possible number of States Members and of the more important non-Members of the League.

The League's work on the problem is directed by Government representatives. Valuable assistance has been given by experts selected by the Council. On several occasions representatives of the Governing Body of the International

(1) Since the Assembly of 1923, the word "limitation" has been used in conjunction with the term "reduction of armaments", the Latin-American representatives having pointed out that for their countries the question is one of limitation rather than of disarmament. The Assembly considered that the situation of South-American States and other similar situations should be taken into consideration when preparing a plan for the reduction of armaments.

Labour Office (Workers and Employers Groups) have cooperated. A special section of the Secretariat ensures the preparation and execution of the necessary work.

Despite the magnitude of the League's effort and certain results obtained, some impatience has been manifested with regard to the execution of Article 8 of the Covenant, and there has also been some criticism of the delay in convoking the general Conference for the Limitation and Reduction of Armaments for which the League organisations are preparing a Draft Convention.

This pamphlet gives an account of what the League has done and of the political and technical reasons which have proved an obstacle to the conclusion of the preparatory work.

The formula, "Arbitration, Security and the Reduction of Armaments", has constituted the basis for a detailed and exhaustive study of the possibility of providing the necessary conditions for success. The enquiries conducted on arbitration and conciliation procedure originated in the League's endeavour to fulfil its engagements under Article 8 of the Covenant, and it is fair to say that one of the results has been to develop the application of these methods in international relations.

The practical application of the principles of mutual security which form the basis of the Covenant has also been the subject of constant study by the Council, the Committees which it has constituted, and the technical organisations of the League. It has led to the adoption by the Council of regulations to facilitate the application of Article II of the Covenant, and to safeguard the peace of nations. The doctrine of the Council in regard to the prevention of disputes is founded, to some extent, on the debates on the reduction of armaments.

The Advisory Committee on Communications and Transit has been entrusted with a far-reaching enquiry into League

communications in times of emergency (communications by rail, by air, by wire and by wireless). The Economic Committee has cooperated in this work, and the Financial Committee has drawn up proposals concerning financial assistance for States attacked.

Finally, the technical problem of the limitation and reduction of armaments has been thoroughly explored in all its aspects (military, naval and air). The preliminary conditions for the conclusion of any agreement on the subject are now known to the League and the time passed in this work has not been lost.

Questions concerning armaments are treated with a publicity unknown before the war. Certain national laws have been amended so as to take account not only of the Covenant, but also of the work actually being done at Geneva. The Members of the League have been called upon to contract new engagements with regard to chemical warfare and the trade in arms. Experience has, nevertheless, shown that all these problems are interdependent. It is only when a solution has been found for the problem as a whole that the partial steps already taken will have their full effect; yet at the same time it is the merit of these partial steps that they facilitate and promote the solution of the whole.

It may be added that the disarmament problem has been for the League a constant and powerful challenge to work. In various fields the results are already considerable. They have penetrated beyond the field of the League's activity, strictly speaking, and have influenced international politics as a whole.

II. — THE COVENANT OF THE LEAGUE OF NATIONS.

In its first Article the Covenant of the League of Nations states that, to be admitted to the League, a new Member must, amongst other things, accept such regulations as may

be prescribed by the League in regard to its military, naval and air forces and armaments.

The obligations of States Members regarding the reduction of armaments are defined in Article 8.

I. — Article 8 of the Covenant.

The first paragraph reads :

The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

Thus, at the beginning of the article, are found some of the conditions of the problem which the Committees and various League organisations have had to take into consideration.

a) Accession to the Covenant implies recognition of the fact that the maintenance of peace requires a reduction of national armaments to a certain minimum.

b) This minimum must be consistent with national safety. This entails the obligation to take account of the special circumstances of various States Members.

c) The minimum must also be adequate for common action in case of necessity, with a view, to the enforcement, of international obligations.

In brief terms the first paragraph of Article 8 contains almost all the principles which have guided the League's work on the reduction of armaments. It lays special stress upon two new and essential factors which, in the opinion of the authors of the Covenant, are of a nature to enable effective action to be taken for the reduction of armaments, action which was almost impossible before the war owing of the absence of international organisations :

a) By reducing its armaments, each State contributes

to the maintenance of peace, and its security is increased in proportion to the reductions agreed to by its neighbours in particular, and by other States in general;

b) The possibility of joint action is contemplated. This gives each Member an additional guarantee based upon the observance of the provisions contained in other Articles of the Covenant whose main object is the maintenance of peace.

Paragraphs 2 and 3 of Article 8 define as follows the rôle of the Council :

The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

Such plans shall be subject to reconsideration and revision at least every ten years.

The Council is called upon to prepare plans for a reduction of armaments, but the final decision must be ratified by Governments. Paragraph 2, strengthening the passage of the first paragraph concerning national safety, makes a special mention of the geographical situation and the particular circumstances of each State, leaving to the Council the choice of the suitable means to prepare plans for a reduction of armaments. In order to adapt these plans to any new conditions which may arise provision is made for periodical reconsideration.

Paragraph 4 places the Members of the League under an obligation not to exceed the limit of armaments fixed, without the consent of the Council, once the plans have been adopted. For Members of the League, therefore, an armaments race is prohibited. They are given additional security by a guarantee that other members may not increase their military forces. Secret military preparations would constitute a violation of the Covenant and would,

accordingly, justify an appeal to the League of Nations. This paragraph reads as follows :

After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.

The following paragraph deals with the private manufacture of munitions and war material :

The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.

Finally, paragraph 6 provides that Members of the League shall place their relations on a new footing and put an end to secret military preparations :

The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military, naval and air programmes, and the condition of such of their industries as are adaptable to warlike purposes.

II. — Article 9.

A permanent Commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8, and on military, naval and air questions generally.

At one of its first sessions in Rome, on May 17th, 1920, the Council decided to set up the organisation contemplated under Article 9, namely, the Permanent Advisory Commission for Military, Naval and Air Questions. This body consists of the technical delegations of each of the countries

represented on the Council. The delegations include a naval, a military and an air representative. The Commission is divided into three sub-Commissions dealing respectively with military, naval and air questions.

In addition to the problems raised in Articles 1 and 8 and those arising from the application of the Covenant in general, upon which the Council can consult the Commission, the treaties of peace have conferred upon the League a duty on the subject of which the Council has sought the advice of this Commission, namely, the so-called right of investigation. These treaties all contain a section of military, naval and air clauses, whose preamble recalls the intention of the signatories of the treaties to prepare a limitation of the armaments of all nations (1). The final article of the section, which is the same in all the treaties, confers upon the Council a right of investigation which the Treaty of Versailles defines as follows :

So long as the present Treaty remains in force... undertakes to submit to any investigation which the Council of the League of Nations, acting if need be by a majority vote, may consider necessary.

(1) "In order to render possible the initiation of a general limitation of the armaments of all nations... undertakes strictly to observe the military, naval and air clauses which follow."

PART I

PREPARATION OF A GENERAL PLAN FOR THE REDUCTION AND LIMITATION OF ARMAMENTS

CHAPTER I

Enquiry as to the Principles upon which a Reduction of Armaments should be based.

I. FIRST ENQUIRIES

CREATION OF THE TEMPORARY MIXED COMMISSION.

At its very first meeting in 1920, the Council of the League of Nations took up the questions arising out of Article 8 of the Covenant and, immediately after the constitution of the Permanent Advisory Commission, asked it to undertake certain preliminary technical work. The question was raised as a whole at the First Assembly (November-December 1920). The general conclusions of the debate revealed the intricacies of the problem and the necessity for systematic organisation if the League were to deal with it with any chance of success.

The First Assembly adopted a report recognising that a comprehensive scheme of disarmament, based on a thorough feeling of trust and security as between nation and nation, could not be looked for at once. After setting forth the obstacles which were still in the way of the enforcement of Article 8, the Assembly recognised that the work must proceed by successive stages. Meanwhile it drew the attention of the Council to the possibility of a budgetary limitation. It proposed that it should submit to Governments a proposal

to agree not to exceed, for the two following financial years, the sum total of expenditure for the military, naval and air services of the budget then in question. To this proposal there was a series of interesting replies from Governments, many of them affirmative. The proposal itself was taken up again with various modifications by the following Assemblies, in particular, by that of 1924, as a temporary precaution designed to avoid any increase of armaments pending the application of a general plan of reduction.

The First Assembly also noted the general desire of Members of the League to lighten as far as possible their armaments burden. Referring to Article 8 of the Covenant and the Preamble to Part V. of the Peace Treaties, it associated itself with the pronouncement of the Supreme Council of the Allied Powers which, on March 8th of the same year, had drawn attention to the importance of a limitation of armaments through the agency of the League of Nations in order to diminish the economic difficulties of Europe. The importance of such a step had also been recognised by the Brussels Financial Conference which had closed shortly before.

The Assembly asked the Council to push forward its study of the questions raised by Article 8, in particular, by inviting the Permanent Advisory Commission to complete its technical work on the existing state of armaments, by improving the organisation of the Secretariat and by setting up machinery for the verification of the information interchanged in accordance with Article 8.

In view of the wide ramifications of the problem, with its inherent political and other difficulties, the Assembly asked the Council to set up a new advisory organisation with the necessary competence to study the questions to be dealt with as a whole. This organisation was to be composed of persons with the requisite competence in matters of a political, social and economic nature and was to prepare for the Council

a report and proposals on the reduction of armaments as contemplated under Article 8 of the Covenant.

On February 25th, 1921, the Council gave effect to this resolution by setting up the Temporary Mixed Commission with M. Viviani as Chairman. This body included six recognised authorities in political, social and economic subjects, six members of the Permanent Advisory Commission for military, naval and air questions appointed by the latter, four members of the League Economic and Financial Commission, and six members of the Governing Body of the International Labour Office, that is, three members of the Employers' Group and three members of the Workers' Group. The Council subsequently added other specialists.

The Temporary Mixed Commission, proceeding on parallel lines with the Permanent Advisory Commission, which was dealing with the technical aspects of the question, undertook a thorough examination of the problem, and submitted, at regular intervals, comprehensive proposals to the Council and the Assembly. This Commission continued to exist until the Assembly of September 1924.

2. TECHNICAL AND POLITICAL FACTORS OF THE REDUCTION OF ARMAMENTS.

Apart from the work they undertook on the trade in arms and munitions (described later on), the main task of the two Advisory Commissions from 1921 onward was to define the basic principles of a reduction of armaments, the scope of such a reduction, and the special circumstances of States Members of the League, in particular of European States.

Their first enquiries led to conclusions which enabled the Assembly of 1921, by adopting the majority of the proposals of the Temporary Mixed Commission, to draw up a general programme of work. It proposed to the Council :

a) to institute a statistical enquiry into the armaments of various countries bearing upon the years 1913 and 1921;

b) to invite Governments to give certain information on their military and naval budgets, their general budget, their laws for the re-organisation of land and sea forces;

c) to invite Governments to furnish a statement of any considerations they might wish to urge in regard to the requirements of their national security, their international obligations, their geographical situation and special circumstances.

They were also asked to communicate what peace and military forces they considered indispensable for the preservation of domestic order.

The question was thus clearly defined.

The enquiries instituted by the League, the results of which were submitted to the Advisory Commission in 1922, revealed the essential features of the problem, and the connection which exists between the notion of mutual guarantee and that of the reduction of armaments.

3. TECHNICAL COMPLEXITY OF THE QUESTION.

The effect of a scheme submitted by one of the members of the Temporary Mixed Commission, for a treaty on reduction of armaments based on the precedent of the Washington Naval Conference, was to throw further light upon the scope and importance of the technical studies required. The author of this scheme, Lord Esher, proposed that, as had been done at Washington for naval armaments, a common measure should be fixed for the comparison of land forces, and the armaments assigned to the various Powers should be represented by ratio. As a unit of military and air forces he had suggested 30,000 men.

This scheme was in the end rejected for technical reasons advanced by the Permanent Advisory Commission which con-

sidered that it was difficult, if not impossible to arrive at a common measure for the comparison of the peace time forces of the various States. It was of opinion that Lord Esher's plan took into account only the factor of effectives, whereas the other factors which constitute the unit, such as cadre, material and the budget should also be taken into consideration.

Each of these constituent factors varies from one State to another, in number and in value, and varies within the same State in accordance with the organisation of each, and according to the purpose for which it exists.

From the point of view of national security, long-service soldiers have a greater value than conscripts. The former are able to serve as cadres, while the latter are not. From the point of view of the maintenance of internal order, on the other hand, they are of equal value. Furthermore, the total number of men may be temporarily increased by reservists undergoing their period of training. In consequence, there is variation in number and in value from the point of view both of peace and of war.

Similar variations exist in regard to material which differs in character and type. This depends on the national organisation, on the resources of industry, and of man-power, etc.

The expenditure on armaments also varies from one country to another and within the same country, according as it is concerned with voluntary or conscript personnel or with material, or with the difference in prices at home, or with the variations in the value of gold, etc. etc.

If such variations are to be found in each factor, how can it be hoped to obtain any kind of stable combination of these variable factors? It appears to be impracticable.

To conclude, the Permanent Advisory Commission considered that although Lord Esher's scheme might logically be applied to vessels which require a long time to construct, and even to lighter-than-air machines of large dimensions,

it did not provide a practical basis for the estimation or comparison of air and land forces. It noted, nevertheless, that from a military point of view the estimation of the forces on a peace footing, was possible of attainment by technical experts, though not by the application of a mathematical formula. The Permanent Advisory Commission would be able, if requested to do so by the Council, to estimate the military forces of individual States on the basis of the information supplied to it by these States.

Lord Esher's scheme was also rejected by the Temporary Mixed Commission.

4. MUTUAL GUARANTEE AND THE REDUCTION OF ARMAMENTS.

At the same time the Temporary Mixed Commission continued its investigations in another direction. It had received many replies from Governments on the requirements of their national security, international obligations, geographical situation and special conditions. The main conclusions arrived at were *a*) that these statements as a whole clearly showed not only the sincere desire of Governments to reduce national armaments and the corresponding expenditure to a minimum, but also the importance of the results already achieved; *b*) that there were real difficulties of a temporary or permanent nature in the way of the reduction in armaments which was universally desired. The Commission explained the technical difficulties, but made it clear in its report that the problem was to an essential degree of a political nature. It drew attention, for the first time, to the potential military forces which, in warfare between nations in arms, each State possesses below the visible surface of its peace time armaments.

It considered that, as these difficulties were political, it might be hoped that the League of Nations would be able to assist in diminishing and in finally eliminating them.

Thus the Temporary Mixed Commission directed its

efforts into a new channel which, it hoped, might lead to the solution of the political problems mentioned. It proposed to develop the system of mutual guarantee against aggression provided by the Covenant in order to enable members of the League to reduce their armaments. The debate soon centred on this question. One of the members of the Commission, Lord Robert Cecil, endeavoured to embody in four proposals the general principles of a reduction of armaments, which were adopted in the following form by the Commission : "No scheme for the reduction of armaments can be successful unless it is general. In the present state of the world, the majority of Governments could not carry out a reduction of armaments unless they received satisfactory guarantees for the safety of their respective countries; such guarantees should be of a general character. And finally, there can be no question of providing such guarantees except in consideration of a definite undertaking to reduce armaments."

In submitting these proposals to the Council and the Assembly, the Commission stated that its object was to enable States to reduce their armaments while providing them with a measure of security at least as great as that which they then enjoyed.

5. MUTUAL OR SPECIAL GUARANTEES.

The discussions of the two Advisory Commissions prior to the 1922 Assembly revealed the existence of two divergent theses.

The technical opinions expressed by the Permanent Advisory Commission were quite definite as to the necessity of having a pre-established plan of defence in order that the guarantee offered in consideration of the required reduction of armaments should be effective. On these technical grounds the majority of the European countries maintained that a general treaty of mutual assistance which, by reason

of its universality, could only constitute a somewhat vague undertaking, would not be a sufficient guarantee in exchange for a reduction of armaments. Distinguishing between the successive stages of a war, they requested that special attention should be devoted to the first period during which prompt action would be necessary to prevent the total defeat of a State attacked.

This raised a question which has since come repeatedly before the League, namely, that of promptly determining the aggressor and of avoiding delay which might prove fatal to the State attacked.

In his original proposals Lord Robert Cecil had already to some extent taken account of these theses by contemplating detailed arrangements for the defence of countries, which for historical, geographical or other reasons, were in special danger of attack. But this general measure did not satisfy the supporters of immediate assistance. They maintained that as the work of the Temporary Mixed Commission aimed at developing the principles of the Covenant, it was not sufficient merely to transform the terms of Article 8 relating to the geographical situation and special conditions of each State, but that special means of action should in certain cases be placed at the disposal of the Council.

The supporters of the two adverse theses in the Temporary Mixed Commission were commonly known as the partisans of general and special treaties of mutual assistance.

6. RESOLUTION XIV OF THE THIRD ASSEMBLY, 1922.

The first step towards reconciling the two views was taken at the Third Assembly of the League of Nations in 1922. The discussion bore on the proposals of Lord Robert Cecil, which were presented by the Temporary Mixed Commission. The Assembly did not enter into a detailed consideration of the question of guarantees. As regards the pro-

cedure, the various currents of opinion were reconciled later in the course of the debate in the Temporary Mixed Commission on the Draft Treaty of Mutual Assistance.

The Assembly, nevertheless, cleared the way for the amalgamation of the two theses. The supporters of a general treaty of mutual assistance — representatives of the British Empire and former neutrals — had as their chief spokesman Lord Robert Cecil; those in favour of special treaties were represented by the French delegate, M. Henri de Jouvenel. The principal result of this debate was the fourteenth Resolution of the Third Assembly.

This resolution laid down the principle that no scheme for the reduction of armaments could be fully successful unless it was general, and that disarmament was conditional upon guarantees of security. As guarantee, it contemplated a defensive agreement open to all countries, binding them to provide immediate and effective assistance in accordance with a prearranged plan, in the event of one of them being attacked; while recognising that the most desirable plan would be a general disarmament treaty, the Assembly admitted the possibility of partial treaties designed to be extended and open to all countries (1).

The Assembly strongly emphasised the necessity for a reduction of armaments, as the adoption of the principles governing the mutual guarantee entailed an undertaking by Governments to proceed to a general reduction of armaments. Resolution XIV reads :

XIV. a) The Assembly, having considered the report of the Temporary Mixed Commission on the question of a general Treaty of Mutual Guarantee, being of opinion that this report can in no way affect the complete validity of all the Treaties

(1) In another resolution the Assembly contemplated the possibility of regional disarmament agreements similar to those concluded by Latin-American States.

of Peace or other agreements which are known to exist between States; and considering that this report contains valuable suggestions as to the methods by which a Treaty of Mutual Guarantee could be made effective, is of the opinion that :

1. No scheme for the reduction of armaments, within the meaning of Article 8 of the Covenant, can be fully successful unless it is general.

2. In the present state of the world many Governments would be unable to accept the responsibility for a serious reduction of armaments unless they received in exchange a satisfactory guarantee of the safety of their country.

3. Such a guarantee can be found in a defensive agreement which should be open to all countries, binding them to provide immediate and effective assistance in accordance with a pre-arranged plan in the event of one of them being attacked, provided that the obligation to render assistance to a country attacked shall be limited in principle to those countries situated in the same part of the globe. In cases, however, where, for historical, geographical, or other reasons, a country is in special danger of attack, detailed arrangements should be made for its defence in accordance with the above-mentioned plan.

4. As a general reduction of armaments is the object of the three preceding statements, and the Treaty of Mutual Guarantee the means of achieving that object, previous consent to this reduction is therefore the first condition for the Treaty.

This reduction could be carried out either by means of a general Treaty, which is the most desirable plan, or by means of partial treaties designed to be extended and open to all countries.

In the former case, the Treaty will carry with it a general reduction of armaments. In the latter case, the reduction should be proportionate to the guarantees afforded by the Treaty.

The Council of the League, after having taken the advice of the Temporary Mixed Commission, which will examine how each of these two systems could be carried out, should further

formulate and submit to the Governments for their consideration and sovereign decision the plan of the machinery, both political and military, necessary to bring them clearly into effect.

b) The Assembly requests the Council to submit to the various Governments the above proposals for their observations, and requests the Temporary Mixed Commission to continue its investigations, and, in order to give precision to the above statements, to prepare a draft Treaty embodying the principles contained therein.

7. EXCHANGE OF INFORMATION AND STATISTICAL ENQUIRY.

During the same period the League organisations continued their work on the exchange of information and conducted a statistical enquiry. The investigations were conducted on parallel lines and in close connection with those following upon Resolution XIV. They soon led to important results. In August 1923 the League Secretariat published in two volumes the results of a Statistical Enquiry on National Armaments, consisting of data furnished by all Governments. This first enquiry bore on peace-time armaments and expenditure on armaments.

The Assembly of 1922 had recognised that the full military strength of States included their actual military strength expressed in peace time armaments and expenditure on national defence, and their potential military strength in which the important element was the industrial and economic power of each State, as proved by the last war.

The Assembly of 1923 decided on the proposal of the Temporary Mixed Commission that the statistical enquiry might be considered as a fulfilment of the last paragraph of Article 8 of the Covenant on the exchange of information and instructed the Secretariat to publish a military year-book. The Assembly of 1924 asked that a special develop-

ment should be given to the part of the Year-Book dealing with industrial and economic strength capable of being used for war purposes. At the present date the Year-Book is a volume of more than 1000 pages, and is divided into three parts, dealing with (1) army and navy, (2) budget expenditure on national defence, and (3) production and exchange of products which are of importance from the point of view of national defence.

8. REDUCTION OF NAVAL ARMAMENTS.

On February 6th, 1922, the United States, the British Empire, France, Italy and Japan concluded the Washington Naval Treaty, limiting the tonnage of their capital ships and of aircraft carriers, and limiting the standard displacement of capital ships and the calibre of their guns. The Treaty contained the clause known as the "Naval Holiday", according to which, with certain exceptions contained in the Treaty, no keel of any capital ship might be laid down earlier than ten years, to date from November 12th, 1921. During 1922 the League Commissions received several proposals for the extension of the principles of the Washington Naval Treaty to non-Signatory Powers. These schemes were carefully studied, as the conclusion of a general treaty based on the same principles as the Washington Treaty was of considerable importance for the League of Nations and the general work on the reduction of armaments. The Permanent Advisory Commission recognised, however, that the extension of this Treaty to all Powers would meet with almost insuperable difficulties. Although from a technical point of view it is easier to draw up regulations for naval disarmament than for land disarmament, the complicated political situation after the war made it difficult to apply to all States the comparatively simple standards laid down at Washington. The majority of the naval sub-commission, composed of representatives of the Signatories of the Wash-

ington Treaty, considered that the most practical basis was the *status quo*. Still, it was difficult to fix tonnage for a State created after the war, and even at Washington it had been necessary to provide certain exceptions to the general principles adopted. The *status quo* basis was hardly acceptable, either for the new States, for States recovering from the war, or for certain non-European States in a stage of development. For the purpose of further study, the Council decided, in February, 1923, to add to the naval Sub-Commission, in which there were only a few of the non-Signatories of the Washington Treaty, representatives of the Argentine, Chili, Denmark, Greece, Norway, the Netherlands, and a non-Member of the League, namely, Russia. This Sub-Commission met in Rome in February, 1924. It was able to obtain interesting information, but it did not succeed in reconciling the various points of view. Certain political questions were raised; the representative of the Union of Soviet Socialist Republics asked that the Baltic Sea should be closed to the larger vessels of non-coastal Powers, that the Black Sea should be closed, and that the Straits of Korea should be demilitarised. In a general way it appeared that the principles of the Washington Treaty limiting naval armaments on the basis of the *status quo* were not acceptable for most navies. It was impossible to meet the objections of States which considered that the scheme for the reduction of naval armaments should take account of the geographical situation and special circumstances of each State in accordance with Article 8 of the Covenant. The results of the Rome session were forwarded to Governments. The technical study of the naval problem was resumed later on a larger scale.

CHAPTER II

The Draft Treaty of Mutual Assistance.

I. PREPARATION OF THE DRAFT TREATY.

On the basis of Resolution XIV of the Third Assembly the Temporary Mixed Commission prepared in 1922-23 a Draft Treaty of Mutual Assistance which the Assembly submitted to Governments with certain changes.

The Temporary Mixed Commission worked on two draft Treaties, one by Lord Robert Cecil, the other by Colonel Réquin, a French member of the Commission. It also had the opinions of certain Governments on Resolution XIV and the technical reports of the Permanent Advisory Commission. It was thus enabled to enunciate the fundamental problems of the prevention of war and mutual guarantee, and propose solutions which have left their mark on the League's work up to the present day.

Lord Robert Cecil based his draft on the resolutions which he had originally submitted to the Temporary Mixed Commission. He aimed at the conclusion of a general treaty guaranteeing to a State attacked the support of all the other members of the League, with detailed provisions designed to nullify in a large measure in time of peace the effects of a threat of war. Special treaties were admitted only if the Council by a three-fourths majority decided to negotiate itself at the request of an interested State in particularly dangerous situation a supplementary agreement for the defence of the said State. This draft met the views of certain members of the Commission, nationals of States more or less opposed to definite undertakings, who felt that the conclusion of special treaties would result in the formation of rival groups of nations and in permanent political tension.

Colonel Réquin's draft was based on the opinion of the

Permanent Advisory Commission with regard to Resolution XIV. The majority of the Commission had drawn special attention to the fact that the object was to prevent war and not to bring progressively into action the forces which would carry a war a successful conclusion. It added that in no case was a State attacked to suffer invasion and that this condition assumed the existence of a mutual guarantee which could be brought into action immediately. The only form of assistance which was really effective at the beginning of a war was military, naval, or air assistance. The Commission stated further that if the assistance were to be immediate and effective, it must be given in accordance with a pre-arranged plan as laid down in Resolution XIV, and if this pre-arranged plan were to be carried out without delay, that is, without discussion, it was important that it should be made an integral part of the Treaty of Guarantee.

With regard to Lord Robert Cecil's draft, the Permanent Advisory Commission had come to the unanimous conclusion that, from a military, naval and air point of view, it did not constitute a solid basis for a scheme for the limitation of armaments. The majority of the military experts admitted that the idea combining partial agreements with general obligations was quite a happy one. An attempt might be made to discover a practical method of applying it which should be based upon the necessities of modern warfare. Thus, assistance might be organised beforehand with a degree of completeness which would vary both according to the nature of the assistance, and chronologically according to the degree of urgency, without in any way losing sight of the primary necessity of preventing the development of conflict.

The first article of Colonel Réquin's draft provided that the High Contracting Parties should mutually undertake to furnish assistance to any one of their number in case it should be the object of aggression after reducing its armaments. In Article 2 it was stipulated that to render the

general assistance provided in the first article immediately effective, the High Contracting Parties might conclude agreements establishing groups for purely defensive purposes and settle in advance the measures of assistance which they would give to each other in accordance with Article 10 of the Covenant in the event of any case of aggression which they might consider possible against any of them.

The task of the Temporary Mixed Commission in 1922 was to reconcile these two points of view and to draw up a single text.

2. THE DRAFT TREATY.

Dr. Benes, reporting on the Draft Treaty of Mutual Assistance to the Assembly of 1923, explained that it might be regarded as the procedure which the Temporary Mixed Commission recommended to the Council for the purpose of carrying out the task entrusted to it under Article 8 of the Covenant. His definition of the rule upon which the Draft Treaty was based, was that "guarantee and disarmament are inter-dependent".

Article 1 of the Draft Treaty read as follows :

"The High Contracting Parties solemnly declare that aggressive war is an international crime and severally undertake that no one of them will be guilty of its commission." Dr. Benes pointed out that this article constituted a solemn pact of non-aggression, the spirit of which must govern the application of the Draft Treaty of Mutual Assistance.

Dr. Benes explained as follows the operation of the guarantee and of the reduction of armaments :

1. The general guarantee is established in principle and defined by the Treaty — first stage;
2. In the case of certain countries the guarantee is supplemented by special Treaties;

3. Each State establishes an estimate of the reduction which it can effect in armaments in virtue of the operation of this single or double guarantee — second stage;

4. On the basis of these estimates, the Council draws up the plan of reduction as provided in Article 8 of the Covenant — third stage;

5. After having adhered to the plan, the several States undertake to put this plan of reduction, in so far as it affects them, into operation within a period laid down in the Treaty — fourth stage;

6. When this undertaking has been given, the guarantee comes into force, and the provisions of Article 8 of the Covenant regarding disarmament are in a fair way to fulfilment.

a) *General Guarantees and Special Treaties.* — The general assistance contemplated by Lord Robert Cecil was maintained in Article 2 of the Treaty. Articles 6, 7 and 8 envisaged complementary defensive agreements by which the Signatories undertook to put into immediate execution in the cases of aggression the plans of assistance agreed upon.

In order to allay the apprehensions manifested by certain members of the Commission, these agreements, before being registered, were to be examined by the Council with a view to deciding whether they were in accordance with the principles of the Treaty and the Covenant. The Council could, if necessary, suggest changes in the texts, which would have been open, with the consent of the signatories, to any other High Contracting Party.

Attention must be drawn to this clause which presented a solution of many of the problems attendant upon special treaties. The possibility for a third party to accede to a special treaty was a new factor. Its importance was emphasised in the debates on mutual guarantee, and exemplified by the subsequent conclusion of security treaties between States whose divergent interests might have become a menace to European peace.

The Signatories of the special agreements might, in the case of aggression, execute the plan of assistance agreed upon, subject to informing the Council without delay of the measures taken. Certain delegations considered that this condition did not suffice.

b) *The prevention of war and the powers of the Council.* — As regards the prevention of war, the Draft Treaty contained several new suggestions. For the first time a League organisation proposed that in the case of a *threat of war* it might be advisable for the Council to take measures hitherto contemplated only in the case of war which had definitely broken out. These measures were the application of economic sanctions, the organisation of financial assistance and the execution of other provisions of Article 16 of the Covenant.

Article 3 provided that, should one of the High Contracting Parties judge that the armaments of any other party were in excess of the limits fixed under the provisions of the Treaty, or have cause to appear an outbreak of hostilities on account of the aggressive policy or preparations of any other State, it might inform the Secretary-General, who would immediately summon the Council. If the Council considered that there was reasonable ground for thinking that a menace of aggression had arisen it could :

(a) decide to apply immediately to the aggressor State the economic sanctions contemplated by Article 16 of the Covenant, the Members of the League not signatory to the present Treaty not being, however, bound by this decision, except in the case where the State attacked is entitled to avail itself of the Articles of the Covenant;

(b) invoke by name the High Contracting Parties whose assistance it requires. No High Contracting Party situated in a continent other than that in which operations will take place shall, in principle, be required to co-operate in military, naval or air operations;

(c) determine the forces which each State furnishing assistance shall place at its disposal;

(d) prescribe all necessary measures for securing priority for the communications and transport connected with the operations;

(e) prepare a plan for financial co-operation among the High Contracting Parties with a view to providing for the State attacked and for the States furnishing assistance the funds which they require for the operations;

(f) appoint the Higher Command and establish the object and the nature of his duty.

c) *Case of aggression.* — Article 4 determines the intervention of the Council and the possible intervention of all the Signatory States in case of aggression.

Should one of the Signatories become engaged in hostilities, the Council would decide, within four days of a notification addressed to the Secretary-General, which of the parties were the victims of aggression and whether they were entitled to the assistance provided under the Treaty.

In this connection the Draft forwarded to the Governments was accompanied by a commentary on the definition of a case of aggression.

This document stated that there was no definite military standard of aggression, but that it might be advisable for the Council to fix a neutral zone which the parties would be forbidden to cross, and a refusal to obey might be considered as an element in deciding which was the aggressor. It was also suggested that the Council might propose an armistice and invite the parties to submit their dispute to the Council or to the Court, and that this invitation might be accompanied by an intimation that the party which refused would be considered as the aggressor. The opinion was expressed that in the general case where aggression was preceded by a period of political tension, the Council would have been engaged in efforts to avoid war and might there-

fore probably be in a position to form an opinion as to which of the parties was really actuated by aggressive intentions.

d) *Demilitarised Zones*. — In order to facilitate the application of the Treaty any party might negotiate, through the agency of the Council, with one or more neighbouring countries for the establishment of demilitarised zones; the Council, with the cooperation of the parties concerned, might previously ensure that the establishment of the zone did not call for unilateral sacrifices from the military point of view on the part of the parties interested.

e) *Cost of intervention*. — By Article 10 the parties agreed that the whole cost of any military, naval or air operations undertaken in accordance with the Treaty and with the supplementary agreements including the reparation of all material damage caused by operations of war should be borne by the aggressor State up to the extreme limits of its financial capacity. The amount payable by the aggressor should be a first charge on the whole of the assets and revenues of that State. The repayment of any home or foreign loans concluded during hostilities would be suspended until the amount due for cost of reparations had been discharged in full.

f) *Disarmament*. — Articles 11, 12 and 13 define the disarmament obligations recognised by the Signatories. They were to undertake to inform the Council of the reduction or limitation of armaments which they considered proportional to the security furnished by the general treaty or by supplementary agreements. They further undertook to cooperate in the preparation of any general plan of reduction of armaments which the Council might propose, and to carry out this reduction within a period of two years.

It was clearly established by Articles 2 and 8 that the mutual assistance should only be given to parties which had reduced their armaments.

Such were the general lines of the Draft Treaty of 1923 which, considered by some as a "prolongation of the Covenant", aimed at a reduction of armaments and at strengthening the League's action for the prevention of war.

3. REJECTION OF THE DRAFT TREATY OF MUTUAL ASSISTANCE. REPLIES OF GOVERNMENTS.

The replies of the Governments Members and non-Members of the League were received in the course of 1924. Eighteen acceded in principle, while suggesting slight changes and improvements. But, on the whole, the Draft encountered such opposition that it soon became evident that it would be impossible to bring it into force unless it were completely transformed.

The reply of the British Government, signed by the Prime Minister, Mr. Ramsay MacDonald, was distinctly unfavourable to the Draft. The most frequent objections to the Treaty may be summed up as follows :

a) While providing guarantees, the Treaty did not lay sufficient emphasis upon the fact that they entailed a reduction of armaments; in principle, the Treaty was designed to give effect to Article 8 of the Covenant, but did not automatically provide for its execution. It left it to the individual Governments to decide in what measure they could reduce their armaments, and nothing proved that such a reduction would be very considerable.

b) The treaty envisaged guarantees of a material kind while devoting insufficient attention to the development of the legal and moral elements of the Covenant.

c) The special treaties recalled the alliance system. Their inclusion in the Draft Treaty left a loophole for possible conflicts between the Council and the Governments, particularly in the event of individual assistance being given before the former had arrived at decision.

d) By its unanimity rule the Council would be seriously hampered in determining the aggressor. Should it nevertheless endeavour to do so, this would involve a delay which might enable the aggressor totally to defeat the State attacked. This danger would be extremely serious in the case of States in an unfavourable geographical situation, i. e. distant from countries which might give assistance, or with a particularly vulnerable frontier.

This last criticism was generally made by Governments which were in favour of the adoption of the Treaty but desired to strengthen the guarantees of assistance.

CHAPTER III

Arbitration, Security and Reduction of Armaments. The Protocol of 1924.

I. THE QUESTION BEFORE THE ASSEMBLY.

Owing to the virtually certain rejection of the Treaty of Mutual Assistance, the disarmament problem was in the forefront of international preoccupations at the opening meetings of the 1924 Assembly.

The League's effort to deal with the question had for the moment proved unavailing. However, in the first days of the Assembly, the representatives of the Governments which had rejected the Treaty expressed the desire that the work should be resumed and that an endeavour should be made to improve upon the solutions proposed. As regards methods, there were still certain differences of opinion.

From the replies concerning the Treaty of Mutual Assistance, it appeared that there was a strong current of opinion among members of the League in favour of arbitration as the necessary complement of the formula "security and reduction of armaments". Having formulated this desire, several Go-

vernments refused to go any farther. To this the supporters of the Treaty replied that arbitration would be null and void without effective sanctions. They considered that the best way to avoid the application of the sanctions provided by the Covenant was to make it so certain that they would be applied that no State would care to run the risk of incurring them. They thus maintained one of the principal theories put forward in support of the Treaty, namely, that it would be of great efficacy in preventing conflicts, owing to the proposed strengthening of the authority of the Council.

These two theories were clearly outlined at the opening meetings of the Assembly in the speeches of the British and French delegates. Mr. Ramsay MacDonald concluded his speech as follows :

Our interests for peace are far greater than our interests in creating a machinery of defence. A machinery of defence is easy to create but beware lest in creating it you destroy the chances of peace. The League of Nations has to advance the interests of peace. The world has to be habituated to our existence; the world has to be habituated to our influence; we have to embody in the world confidence in the order and the rectitude of law, and then nations — with the League of Nations enjoying the authority, with the League of Nations looked up to, not because its arm is great but because its mind is calm and its nature just — can pursue their destinies with a feeling of perfect security, none daring to make them afraid. This is the outlook, and this is the policy by which the British Government stands and to which it invites the League of Nations to adhere.

To this M. Herriot, the first French delegate, replied :

Arbitration is essential, but it is not sufficient. It is a means, but not an end. It does not entirely fulfil the intentions of Article 8 of the Covenant, which, if I may again remind you, are security and disarmament.

We in France regard these three terms—arbitration, secu-

rity, and disarmament—as inseparable; and these three words would be but empty abstractions did they not stand for living realities created by our common will.

Arbitration, as my friend Mr. MacDonald has said, is justice without passion. In that I recognise the nobility of his mind. But justice must not be divorced from might. Might must not be left in the ruthless grasp of injustice.

2. ARBITRATION, SECURITY AND REDUCTION OF ARMAMENTS.

Thanks to the work of the preceding years, it was comparatively simple to reconcile these two theories. Agreement was reached in the Assembly and the Protocol was drawn up. In submitting it to the Assembly, the two rapporteurs, Dr. Benes, and Mr. Politis, summarised the work already done, showing that the system of the Protocol had been arrived at by a logical and gradual process.

The reduction of armaments required by the Covenant and demanded by the general situation of the world to-day led us to consider the question of security as a necessary complement to disarmament.

The support demanded from different States by other States less favourably situated had placed the former under the obligation of asking for a sort of moral and legal guarantee that the States which have to be supported would act in perfect good faith and would always endeavour to settle their disputes by pacific means.

It became evident, however, with greater clearness and force than ever before, that if the security and effective assistance demanded in the event of aggression was the condition *sine qua non* of the reduction of armaments, it was at the same time the necessary complement of the pacific settlement of international disputes, since the non-execution of a sentence obtained by pacific methods of settlement would necessarily drive the world back to the system of armed force. Sentences impe-

ratively required sanctions or the whole system would fall to the ground.

Arbitration was therefore considered by the Fifth Assembly to be the necessary third factor, the complement of the two others with which it must be combined in order to build up the new system set forth in the Protocol.

Thus, after five, years' hard work, we have decided to propose to the Members of the League *the present system of arbitration, security and reduction of armaments*—a system which we regard as being complete and sound.

3. ANALYSIS OF THE PROTOCOL.

A. Compulsory Arbitration.

Rôle of the Council in determining the aggressor.

a) *Renunciation of war.* — Article 2 of the Protocol renounced war. In no case would a State signatory be entitled to undertake on its own initiative an offensive war against another signatory or non-signatory State which accepted all the obligations assumed under the Protocol.

b) *Compulsory jurisdiction of the Permanent Court.* — Article 3 recognised as compulsory *ipso facto* and without special agreement, the jurisdiction of the Permanent Court of International Justice in cases covered by paragraph 2 of Article 36 (1) of the Court Statute, the only reservations

(1) The Members of the League of Nations and the States mentioned in the Annex to the Covenant may, either when signing or ratifying the protocol to which the present Statute is adjoined, or at a later moment, declare that they recognise as compulsory *ipso facto* and without special agreement, in relation to any other Member or State accepting the same obligation, the jurisdiction of the Court in all or any of the classes of legal dispute concerning :

- (a) The interpretation of a treaty;
- (b) Any question of international law;
- (c) The existence of any fact which, if established, would constitute a breach of an international obligation;
- (d) The nature or extent of the reparation to be made for the breach of an international obligation.

The declaration referred to above may be made unconditionally or on condition of reciprocity on the part of several or certain Members or States, or for a certain time.

allowed being indicated in the report submitted to the Assembly.

c) *Compulsory Arbitration.* — In his report M. Politis stated that compulsory arbitration was the fundamental basis of the proposed system and that it closed the "circle of protection drawn by the Covenant around the peace of the world". Henceforth no purely private war between nations would be tolerated. The system of arbitration envisaged by the Protocol was described as follows :

(a) It is only part of a great machinery of pacific settlement. It is set up under the auspices and direction of the Council of the League of Nations.

(b) It is not only an instrument for the administration of justice. It is, in addition and above all, an instrument of peace. The arbitrators must no doubt seek in the first place to apply the rules and principles of international law. This is the reason why, as will be seen below, they are bound to consult the Permanent Court of International Justice if one of the parties so requests. But if international law furnishes no rule or principle applicable to the particular case, they cannot, like ordinary arbitrators, refuse to give a decision. They are bound to proceed on grounds of equity, for in our system arbitration is always of necessity to lead a definitive solution of the dispute. This is not to be regretted, for to ensure the respect of law by nations it is necessary first that they should be assured of peace.

(c) It does not rest solely upon the loyalty and good faith of the parties. To the moral and legal force of an ordinary arbitration is added the actual force derived from the international organisation of which the kind of arbitration in question forms one of the principal elements; the absence of a sanction which has impeded the development of compulsory arbitration is done away with under our system.

In the system of the Protocol, the obligation to submit disputes to arbitration is sound and practical because it has always a sanction. Its application is automatically ensured, by means of the

intervention of the Council; in no case can it be thrown on one side thorough the ill-will of one of the disputant States. The awards to which it leads are always accompanied by a sanction, adapted to the circumstances of the case and more or less severe according to the degree of resistance offered to the execution of the sentence.

The following articles of the Protocol concerned the working of the arbitration procedure contemplated by the Covenant.

Article 4 in particular dealt with the possibility of the Council failing to settle a dispute submitted under Article 15 of the Covenant, which did not come within the jurisdiction of the Court and in regard to which the parties had not been able to agree on arbitration. The solution proposed was that :

Before going further, the Council must call upon the parties to submit their dispute to judicial settlement or to arbitration.

It is only in the case where this appeal — which the Council will make in the manner which appears to it most likely to secure a favourable hearing — is not listened to that the procedure will acquire the compulsory character which is necessary to make certain the final settlement of all disputes.

There are three alternatives :

- (a) Compulsory arbitration at the request of one of the parties;
- (b) A unanimous decision by the Council;
- (c) Compulsory arbitration enjoined by the Council.

This procedure made it impossible for any dispute to escape arbitration. The request of one of the parties was sufficient for the constitution of a Committee of Arbitrators, either by joint agreement or if agreement were impossible, by decision of the Council. Should the arbitrators not be jurists, they were entitled, if one of the parties so desired,

to seek the advisory opinion of the Court through the medium of the Council. In the event of neither party asking for arbitration, the Council would again examine the matter and would endeavour to draw up a unanimous report, the vote of the parties not being reckoned. In this case, its decision would be binding upon the parties signatories to the Protocol.

There remained the possibility of a disagreement among members of the Council, and here the third solution, compulsory arbitration enjoined by the Council, would intervene. The dispute would be referred to a Committee of Arbitrators, but the parties would play no rôle in its constitution. It would be for the Council to settle all the details, the composition, the powers and procedure of the Committee of Arbitrators. The only regulation with which it must comply was that in the choice of arbitrators it must bear in mind the guarantees of competence and impartiality which by their nationality, personal character and experience, such arbitrators must always furnish.

Failing a friendly arrangement, M. Politis continued, the final solution of a dispute would be certain in all cases, thanks to the system adopted, whether in the form of a decree of the Permanent Court of International Justice or in the form of an arbitral award or, lastly, in the form of a unanimous decision of the Council.

To this solution the parties are compelled to submit. They must put it into execution or comply with it in good faith.

If they do not do so, they are breaking an engagement entered into towards the other signatories of the Protocol, and this breach involves consequences and sanctions according to the degree of gravity of the case.

If the recalcitrant party confines itself to offering passive resistance to the solution arrived at, it will first be the object of pacific pressure from the Council, which must exercise all its

influence to persuade it to respect its engagements. If the Council is unsuccessful, it must propose measures calculated to ensure effect being given to the decision.

On this point the Protocol has been guided solely by the regulation contained at the end of Article 13 of the Covenant. The Council may thus institute against the recalcitrant party collective sanctions of an economic and financial order. It is to be supposed that such sanctions will prove sufficient. It has not appeared possible to go further and to employ force against a State which is not itself to resorting to force. The party in favour of which the decision has been given might, however, employ force against the recalcitrant party if authorised to do so by the Council.

But if the State against which the decision has been given takes up arms in resistance thereto, thereby becoming an aggressor against the combined signatories, it deserves even the severe sanctions provided in Article 16 of the Covenant, interpreted in the manner indicated in the present Protocol.

There were one or two exceptions, contemplated in clearly specified cases, as for example, disputes relating to questions which at some time prior to the entry of the Protocol had been the subject of a unanimous recommendation by the Council, and accepted by one of the parties concerned.

The provisions of paragraph 8 of Article 15 of the Covenant concerning disputes which by international law fall within the domestic jurisdiction of a party were protected by Article 5 of the Protocol. In this case, the arbitrators would have had to consult the Permanent Court of International Justice. If the Court were to recognise that the dispute fell within the domestic jurisdiction of a State, its decision would not prevent the Council or the Assembly from examining the situation under Article 11 of the Covenant, which calls upon the League to take measures to safeguard the peace of nations.

d) *Determination of the aggressor.* — Article 10 of the

Protocol dealt with the determination of the aggressor. M. Politis' report contained the following passage :

The definition of aggression is a relatively easy matter, for it is sufficient to say that any State is the aggression which resorts in any shape or form to force in violation of the engagements contracted by it either under the Covenant (if, for instance, being a Member of the League of Nations, it has not respected the territorial integrity or political independence of another Member of the League) or under the present Protocol (if, for instance, being a signatory of the Protocol, it has refused to conform to an arbitral award or to a unanimous decision of the Council). This is the effect of Article 10, which also adds that the violation of the rules laid down for a demilitarised zone is to be regarded as equivalent to resort to war. The text refers to resort to war, but it was understood during the discussion that, while mention was made of the most serious and striking instance, it was in accordance with the spirit of the Protocol that acts of violence and force, which possibly many not constitute an actual state of war, should nevertheless be taken into consideration by the Council.

On the contrary, to ascertain the existence of aggression is a very difficult matter, for although the first of the two elements which together constitute aggression, namely, the violation of an engagement, is easy to verify, the second, namely, resort to force, is not an easy matter to ascertain. When one country attacks another, the latter necessarily defends itself, and when hostilities are in progress on both sides, the question arises which party began them.

This a question of fact concerning which opinions may differ.

The first idea which occurs to the mind is to make it the duty of the Council to determine who is the aggressor. But, immediately, the question arises whether the Council must decide this question unanimously, or whether a majority vote would suffice. There are serious disadvantages in both solutions and they are therefore unacceptable.

To insist upon a unanimous decision of the Council exposes

the State attacked to the loss of those definite guarantees to which it is entitled, if one single Member of the Council—be it in good faith or otherwise—insists on adhering to an interpretation of the facts different from that of all his colleagues. It is impossible to admit that the very existence of a nation should be subject to such a hazard. It is not sufficient to point out that the Council would be bound to declare the existence of aggression in an obvious case and that it could not fail to carry out its duty. The duty would be a duty without a sanction and if by any chance the Council were not to do its duty, the State attacked would be deprived of all guarantees.

But it would also be dangerous to rely on a majority vote of the Council. In that case, the danger would be incurred by the State called upon to furnish assistance and to support the heavy burden of common action, if it still entertained some doubt as to the guilt of the country against which it had to take action. Such a country would run the risk of having to conform to a decision with which it did not agree.

The only escape from this dilemma appeared to lie in some automatic procedure which would not necessarily be based on a decision of the Council. After examining the difficulty and discussing it in all its aspects, the First Committee believes that it has found the solution in the idea of a presumption which shall hold good until the contrary has been established by a unanimous decision of the Council.

The Committee is of opinion that this presumption arises in three cases, namely, when a resort to war is accompanied :

- . By a refusal to accept the procedure of pacific settlement or to submit to the decision resulting therefrom;

- By violation of provisional measures enjoined by the Council as contemplated by Article 7 of the Protocol;

- Or by disregard of a decision recognising that the dispute arises out of a matter which lies exclusively within the domestic jurisdiction of the other party and by failure or by refusal to submit the question first to the Council or the Assembly.

In these cases, even if there is not absolute certainty, there

exists at any rate a very strong presumption which should suffice for the application of sanctions unless proof to the contrary has been furnished by a unanimous decision of the Council.

e) *Armistice prescribed by the Council.* — In this connection, M. Politis said :

Apart from the aboves cases, there exists no presumption which can make it possible automatically to determine who is the agressor. But this fact must be determined, and, if no other solution can be found, the decision must be left to the Council. The same principle applies where one of the parties is a State, which is not a signatory of the Protocol and not a Member of the League.

If the Council is unanimous, no difficulty arises. If, however, the Council is not unanimous, the difficulty is be overcome by directing that the Council must enjoin upon the belligerents an armistice the terms of which it will fix if need be by a two-thirds majority and the party which rejects the armistice or violates it is to be held to be an aggressor.

The system is therefore complete and is as automatic as it can be made.

Where a presumption has arisen and is not rejected by a unanimous decision of the Council, the facts themselves decide who is an aggressor; no further decision by the Council is needed and the question of unanimity or majority does not present itself; the facts once established, the Council is bound to act accordingly.

Where there is no presumption, the Council has to declare the fact of aggression; a decision is necessary and must be taken unanimously. If unanimity is not obtained, the Council is bound to enjoin an armistice, and for this purpose no decision properly speaking has to be taken : there exists an obligations which the Council must fulfil; it is only the fixing of the terms of the armistice which necessitates a decision, and for this purpose a two-thirds majority suffices.

f) *Working of sanctions in case of aggression (Article 10, final paragraph).*

The fact of aggression having been established by presumption or by unanimous decision of the Council or by refusal to accept or violation of the armistice, it will only remain to apply the sanctions and bring into play the obligations of the guarantor States. The Council will merely call upon them to fulfil their duty; here, again, there is no decision to be taken but an obligation to be fulfilled, and the question of majority or unanimous vote does not arise.

It is not, indeed, a matter of voting at all.

In order to leave no room for doubt, it has been formally laid down that a State which, at the invitation of the Council, engages in acts of violence against an aggressor is in the legal position of a belligerent and may consequently exercise the rights inherent in that character.

It was pointed out in the course of the discussion that such a State does not possess entire freedom of action. The force employed by it must be proportionate to the object in view and must be exercised within the limits and under the conditions recommended by the Council.

B. *Security.*

The part of the Protocol dealing with security and reduction of armaments was submitted to the Assembly by Dr. Benes.

a) *Threats of aggression—preventive measures voted by the two-thirds majority.* — As in the Treaty of Mutual Assistance the signatories of the Protocol undertook in the event of a dispute to abstain from seeking a solution by military means, and in a general way, to refrain from any action likely to extend the dispute or render it more acute (Article 7, paragraph 1 of the Protocol).

Any complaint as to the infraction of the above undertakings could be brought before the Council, which would

take suitable preventive measures. The rôle of the Council was defined as follows :

The Council, unless it be of opinion that the appeal is not worthy of consideration, will proceed with the necessary enquiries and investigations. Should it be established that an offence has been committed against the provisions of the first paragraph, it will be the duty of the Council, in the light of the results of such enquiries and investigations, to call upon any State guilty of the offence to put an end thereto. Any such State failing to comply will be declared by the Council to be guilty of violation of the Covenant (Article 11) or the Protocol.

The Council must, further, take the necessary measures to put an end, as soon as possible, to a situation calculated to threaten the peace of the world. The text does not define the nature of these preventive measures. Its elasticity permits the Council to take such measures as may be appropriate in each concrete case, as, for example, the evacuation of territories.

Any decisions which may be taken by the Council in virtue of this Article may be taken by a two-thirds majority, except in the case of decisions dealing with questions of procedure which still come under the general rule of Article 5, paragraph 2, of the Covenant. The following decisions, therefore, can be taken by a two-thirds majority :

The decision as to whether there has or has not been an offence against the first paragraph;

The decision calling upon the guilty State to remedy the offence;

The decision as to whether there has or has not been refusal to remedy the offence;

Lastly, the decision as to the measures calculated to put an end, as soon as possible, to a situation calculated to threaten the peace of the world.

Article 8 concerned mere threats of aggression, and in this case, the Council was empowered to apply the preventive procedure envisaged in Article 7.

b) *Security—Sanctions.* — By Article 11 the Protocol aimed at settling all the controversies on the application of sanctions. The obligations of the signatories in this connection would have come into play when the Council, acting in accordance with the final paragraph of Article 10, had invited them to apply such sanctions. The nature and scope of these obligations were described as follows :

The reply to the question whether a signatory to the Protocol has or has not fulfilled its obligation depends on whether it has loyally and effectively co-operated in resisting the act of aggression to an extent consistent with its geographical position and its particular situation as regards armaments.

The State remains in control of its forces, and itself, and not the Council, directs them, but paragraph 2 of Article 11 gives us positive material upon which to form a judgment as to whether or not the obligation has been carried out in any concrete case. This criterion is supplied by the term : *loyally and effectively.*

In answerin the question whether a State has or has not fulfilled its obligations in regard to sanctions, a certain elasticity in the obligations laid down in Article 11 allows of the possibility of *taking into account, from every point of view, the position of each State which is a signatory to the present Protocol.* The signatory States are not all in possession of equal facilities for acting when the time comes to apply the sanctions. This depends upon the geographical position and economic and social condition of the State, the nature of its population, internal institutions, etc.

Indeed, during the discussion as to the system of sanctions, certain delegations declared that their countries were in a special situation by reason of their geographical position or the state of their armaments. These countries desided to co-operate to the fullest extent of their resources in resistance to every act of aggression, but they drew attention to their special conditions. In order to take account of this situation, an addition has been made to paragraph 2 of Article 11 pointing out this state of affairs and laying stress on the particular situation of the countries in question.

Moreover, Article 13 of the Protocol allows such countries to inform the Council of these matters beforehand.

I would further add that the obligations I refer to are imperfect obligations in the sense that no sanctions are provided for against any party which shall have failed loyally and effectively to co-operate in protecting the Covenant and resisting every act of aggression. It should, however, be emphasised that such a State would have failed in the fulfilment of its duties and would be guilty of a violation of engagements entered into.

In view of the foregoing, the gist of Article 11, paragraphs 1 and 2, might be expressed as follows : Each State is the judge of the manner in which it shall carry out its obligations but not of the existence of those obligations, that is to say, each State remains the judge of what it will do but no longer remains the judge of what it should do.

Now that the present Protocol has defined more precisely the origin, nature and extent of the obligations arising out of the Covenant, the *functions of the Council, as provided in Articles 10 and 16, have become clearer and more definite.*

c) *Sanctions as defined in the Covenant and the Protocol* : On this subject, Dr. Benes said :

The difference between the former state of affairs and the new will therefore be as follows :

According to the system laid down by the Covenant :

1. The dispute arises.
2. In cases where neither the arbitral procedure nor the judicial settlement provided for in Article 13 of the Covenant is applied, the Council meets, and discusses the dispute, attempts to effect conciliation, mediation, etc.
3. If it be unsuccessful and war breaks out, the Council, if unanimous, has to express an opinion as to which party, is guilty. The Members of the League then decide for themselves whether this opinion is justified and whether their obligations to apply economic sanctions become operative.

4. It then has, *by a unanimous decision, to recommend* military sanctions.

5. If unanimity cannot be obtained, the Council ceasing to take action, each party is practically free to act as it chooses.

According to the new system defined in the Protocol, the situation is as follows :

1. The dispute arises.

2. The system of peaceful settlement provided for by the Protocol comes into play.

3. The Council intervenes, and if, after arbitration has been refused, war is resorted to, if the provisional preventive measures are not observed, etc., the Council decides which party is the aggressor and calls upon the signatory States to apply the sanctions.

4. This decision implies that such sanctions as the case requires—economic, financial, military, naval and air—shall be applied forthwith, and without further recommendations or decisions.

We have therefore the following *nex* elements :

(a) The obligation to apply the necessary sanctions of every kind as a direct result of the decision of the Council.

(b) The elimination of the case in which all parties would be practically free to abstain from any action. The introduction of a system of arbitration and of provisional measures which permits of the determination in every case of the aggressor.

(c) No decision is taken as to strenght of the military naval and air forces, and no details are given as to the measures which are to be adopted in a particular case. None the less, objective criteria are supplied which define the obligation of each signatory; it is bound, in resistance to an act of aggression, to collaborate *loyally and effectively* in applying the sanctions in accordance with its geographical situation and its particular situation as regards armaments.

That is why I said that *the great omission in the Covenant has been made good.*

It is true that no burden has been imposed on States beyond the sanctions already provided for in the Covenant. But, at present, a State seeking to elude the obligations of the Covenant can reckon on two means of escape :

(1) The Council's recommendations need not be followed.

(2) The Council may fail to obtain unanimity, making impossible any declaration of aggression, so that no obligation to apply military sanctions will be imposed and everyone will remain free to act as he chooses.

We have abandoned the above system and both these loopholes are now closed.

d) *Economic and Financial Mutual Assistance.* — Article 11, paragraph 3 of the Protocol defined the economic and financial mutual support contemplated by Article 16, paragraph 3 of the Covenant (the granting of facilities as regards supplies of raw materials, etc., credit, transport and transit).

Article 12, provided that the Council once in possession of the necessary information, should draw up plans of action for the application of the economic and financial sanctions against an aggressor State, and plans of economic and financial cooperation between the State attacked and the different States assisting it.

e) *Special Treaties.* — The controversy with regard to special treaties had become less acute during the Assembly, owing to the acceptance of the provisions for compulsory arbitration introduced into the Protocol.

The provisions of Article 13, paragraphs 2, and 3, M. Benes said refer to the special agreements which were discussed at such length last year. In view of the fact that, according to paragraph 2, such agreements can only come into force

when the Council has invited the signatory States to apply the sanctions, the nature of these agreements may be defined as follows :

Special agreements must be regarded as the means for the rapid application of sanctions of every kind in a particular case of aggression. They are additional guarantees which give weaker States an absolute assurance that the system of sanctions will never fail. They guarantee that there will always be States prepared immediately to carry out the obligations provided for in Article 11 of the Protocol.

In accordance with Article 18 of the Covenant, it is expressly stated that these agreements will be registered and published by the Secretariat, and it has also been decided that they will remain open for signature to any State Member of the League of Nations which may desire to accede to them.

The Council was empowered to receive undertakings from States determining in advance the military, naval and air forces which they would be able to bring into action immediately in order to ensure the fulfilment of the obligations arising out of the Covenant and the Protocol.

Article 15 contained provisions similar to those of the Treaty of Mutual Assistance to the effect that the aggressor should bear the entire costs of a war.

C. Reduction of Armaments.

The main object of the Protocol was to make a reduction of armaments possible, and its existence and entry into force depended on this condition.

The signatories agreed to take part in an international conference for the reduction of armaments which was to be held on June 25th, 1925. All States, members or not of the League, were to have been invited. The Council was to draw up a general programme for the reduction and limitation of armaments and communicate it to Governments at the latest three months before the Conference.

In his report, Dr. Benes drew attention to the interdependence of the three factors, arbitration, security and reduction of armaments, and to the fact that the Protocol would lapse if the conference failed; he defined as follows the obligations of the signatories under Article 17 and 21 as regards reduction and limitation of armaments : .

Although it has not been possible to solve the problem of the reduction of armaments in the clauses of the document submitted to the Assembly for approval, our work paves the way to it and makes it possible.

The reduction of armaments will result, in the first place, from the general security created by a diminution of the dangers of war arising from the compulsory pacific settlement of all disputes.

It will also ensue from the certainty which any State attacked will have of obtaining the economic and financial support of all the signatory States, and such support would be especially important should the aggressor be a great Power, capable of carrying on a long war.

Nevertheless, for States which, owing to their geographical position; are especially liable to attack, and for States whose most important centres are adjacent to their frontiers, the dangers of a sudden attack are so great that it will not be possible for them to base any plan for the reduction of their armaments simply upon the political and economic factors referred to above. no matter what the importance of such factors may be.

It has also been repeatedly declared that many States would require to know what military support they could count on, before the convening of the Conference, if they are to submit to the Conference proposals for large reductions of armaments; this might necessitate negotiations between the Governments and with the Council before the meeting of the Conference for the reduction of armaments provided for in Article 17. The undertakings referred to in Article 13 of the Protocol should be interpreted in the light of the above.

In drawing up the general programme of the Conference,

it will also be necessary, as stated in paragraph 2 of Article 17, for the Council, apart from other criteria "to take into account the undertakings mentioned".

In view of the close interdependence of the three great problems involved, namely, the pacific settlement of disputes, sanctions against those who disturb the peace of the world, and reduction of armaments, the Protocol provides for the convening by the Council of a general Conference for the Reduction of Armaments and for the preparation of the work of such a Conference. Furthermore, the application of the clauses concerning arbitration and sanctions will be conditional on the adoption by the said Conference of a plan for the reduction and limitation of armaments.

Moreover, in order to preserve the connection between the three big problems referred to above, it is provided that the whole Protocol will lapse in the event of the non-execution of the scheme adopted by the Conference. It devolves upon the Council to declare this under conditions to be determined by the Conference itself.

The last paragraph of Article 21 provides for the case of the partial lapsing of the Protocol after it has been put into force. Should the plan adopted by the Conference be regarded as having been put into effect, any State which fails to execute it, so far as it is concerned, will not benefit by the provisions of the Protocol.

The general principles embodied in the report may be summed up as follows: "Compulsory arbitration for every kind of dispute; aggression defined in such a way as to give no cause for hesitation when the Council has to take a decision; the indissoluble binding up of the whole system with a conference for the reduction of armaments; no arbitration or security without disarmament, and no disarmament without arbitration and security".

D. *Signatures and a ratification of the Protocol and Article 36 of the Statute of the Permanent Court of International Justice,*

Immediately after the Assembly, the Protocol was signed by the 14 following States :

Albania	Haiti
Belgium	Latvia
Brazil	Liberia
Bulgaria	Paraguay
Chili	Poland
Czechoslovakia	Portugal
Estonia	Kingdom of the Serbs-Croats-
Finland	Slovenes
France	Spain
Greece	Uruguay

Other signatures followed; sometime later the Protocol was ratified by Czechoslovakia.

These accessions raised to twenty-six the total number of signatories of the optional clause of the Court Statute. It has now been signed by :

Austria	Haiti
Belgium	Latvia
Brazil	Liberia
Bulgaria	Lithuania
China	Luxemburg
Costa-Rica	Norway
Denmark	Panama
Dominican Republic	Netherlands
Estonia	Portugal
Ethiopia	Salvador
Finland	Sweden
France	Switzerland
Germany	Uruguay (1)
Guatemala	

(1) It is in force between	
Abyssinia	China
Austria	Denmark
Belgium	Estonia
Bulgaria	Finland

Haiti	Portuga
Lithuania	Sweden
Netherlands	Switzerland
Norway	Uruguay

CHAPTER IV

From the Protocol to the Locarno Agreements.

I. ORGANISATION OF THE WORK OF THE COUNCIL.

CREATION OF THE COUNCIL COMMITTEE ON DISARMAMENT.

The Assembly of 1924 left the Council a comparatively short time for the accomplishment of two important tasks, namely, the preparation of a general programme of reduction and limitation of armaments for the proposed conference, and a study of measures for enforcing the sanctions and measures of economic and financial cooperation mentioned in Article 16 of the Covenant and Article 11 of the Protocol.

Dr. Benes, rapporteur to the Council on the question of armaments, submitted on October 3rd, 1924, a report on the organisation of the work.

He drew attention to the fact that all the tasks entrusted to the Council were directed towards the same end, the organisation of peace, culminating in a conference for the reduction of armaments. "Security", he said, "will be complete only if this conference succeeds; the conference will succeed only if our preparatory work makes possible the practical application of the great principles of collaboration, mutual aid, and assistance of every kind as laid down in the Protocol".

He emphasised that the preparation of the conference imposed upon the Council a number of duties and responsibilities which made it necessary constantly to exercise its particular duty of directing and coordinating the work of the various organisations of the League.

For this purpose the Council decided to sit as a Committee to whose meetings its titular members might send deputies if they could not themselves be present.

To assist the Committee, the Council reorganised the Temporary Mixed Commission as a Coordination Commission. It was composed as follows:

(a) The Committee of the Council (ten members), assisted by;

(b) The Chairman and one or two members of each of the three organisations, Economic, Financial and Transit (six members);

(c) Six members appointed by the Permanent Advisory Commission;

(d) Two members of the Employers' Group, and two members of the Workers' Group of the Governing Body of the International Labour office, appointed by the latter.

(e) If considered advisable, a certain number of experts, jurists and others, appointed by the Council.

The Co-ordination Commission had no power of final decision. Its duties mainly consisted in regulating the liaison and co-operation between the competent League organisations, in reviewing their reports and in co-ordinating the results of their work in order to present them in complete form.

2. REJECTION OF THE PROTOCOL.

In December, 1924, the Council was to have studied various questions concerning the application of the Protocol. At the request of the British Government, this question was withdrawn from the agenda. On December 9th, Mr. Austen Chamberlain, Minister of Foreign Affairs, drew the attention of his colleagues to the special position of the British representative on the Council, who spoke the mind not of one Government only, but of five or six Governments widely divided by oceans and seas, and with whom communication was necessarily slow. He said that his Government had not had time to study the Protocol, owing to the many problems to be settled immediately.

We recognise, he said, the immense importance of the Protocol. We feel that those who sign it must sign with full knowledge of the obligations which it imposes, and with the resolution that they will keep scrupulously to whatever obligations they may undertake. It is because of the serious importance that we attach to it, that we ask the Council to be good enough to give us the time necessary for its study and for the instruction of our representatives on the Committees which it was contemplated we should set up today.

Three months later, at the Council debates of March 12th and 13th, 1925, a statement of the British representative made it clear that the application of the Protocol would encounter considerable difficulties. In these circumstances all that the Council could do was to transmit to the subsequent Assembly the statements of the British and other representatives on the Council, together with any observations sent in by States members of the League. It decided to await the decision of the Assembly before continuing the preparatory work for the conference.

In his statement of March 12th, the British representative pointed out that, if the present advisers of His Majesty after discussing the subject with the self-governing Dominions and India, saw insuperable objections to signing and ratifying the Protocol in its present shape, this was not because they felt themselves out of harmony with the purpose which it was intended to serve, but were opposed in principle to schemes for clarifying the meaning of the Covenant, or strengthening its provisions. Amendment and interpretation might in themselves be desirable, but His Majesty's Government could not believe that the Protocol as it stood provided the most suitable method of attempting that task.

The British Government then set forth a certain number of objections to the system contemplated for the pacific settlement of international disputes and the application of

sanctions, objections which in its opinion were fundamental. They may be summed up as follows :

a) The British Government considered that if the framers of the Covenant had not required that every dispute should at some stage or other be submitted to arbitration, it was presumably because they felt, as so many States members of the League had since felt, that the objections to universal and compulsory arbitration might easily outweigh its theoretical advantages.

His Majesty's Government was more immediately concerned to enquire how far the change in the Covenant effected by the Protocol was likely to increase the responsibilities already undertaken by States members. It concluded that according to the Protocol fresh classes of disputes were to be decided by the League, fresh possibilities of defying its decisions were created, fresh occasions for the application of coercive measures followed as a matter of course, and it was therefore not surprising that quite apart from the problem of disarmament, the question of sanctions should be treated at length in the clauses of the Protocol.

b) The statement drew attention to the absence of the United States from the League, adding nevertheless, that, could attention be confined to the present and the past, it might be said that the problems which even a weakened League had had to face, had never overstrained its authority. The economic sanction, if simultaneously directed by all the world against a State which was not itself economically self-sufficing, would be a weapon of incalculable power. But all this was changed by the mere existence of powerful economic interests outside the League. It might force trade into unaccustomed channels, but it could hardly stop it, and though the offending State would no doubt suffer, there is no presumption that it would be crushed or even that it would suffer most.

c) The statement further contained a criticism of the provisions of the Protocol which aimed at preventing a State which had a difference with a neighbour from making any preparations for war between the moment when a dispute arose and the moment when proceedings for a pacific settlement had been concluded. This, it was considered, placed the aggressor at an advantage.

The aggressor is at liberty to select his own date for picking a quarrel. Until that date arrives he may distribute his armies as he pleases—provided only that he neither mobilises them nor adds to them. When the distribution is as favourable to his designs as he can hope to make them, he starts the dispute. Immediately, the military position becomes temporarily unalterable. His troops, which are more or less in the right position for attack, may (indeed must) be kept there till he wants to use them. The troops, on the other hand, of his prospective victim are (by supposition) in the wrong position for defence. But there they must be kept, or the victim may find himself charged with a breach of the Protocol.

The difficulties raised seemed insuperable as far as they affected land forces, but the problems were even more embarrassing when applied to the case of forces at sea.

The whole value of a fleet depends on its mobility. Its distribution is in all probability quite different in time of peace from what it would be under threat of war. To suggest that, directly a dispute arises which in any way concerns a maritime Power, its ships are to remain immovably fixed on the stations where the chance conveniences of peace may happen to have placed them, is asking the threatened State to make a surrender of its inalienable right of self-defence, to which it is never likely to submit.

d) While agreeing in general with the provision that the aggressor should bear all the costs of the war and pay full

reparation for all damages, the British Government did not consider that it was wise to embody these generalities in dogmas of inflexible rigidity designed to control the actions of the League in all circumstances and for all time. In the strictest codes of law mitigating circumstances were allowed to modify the judgments of the courts, and His Majestys Government failed to see why the League should deliberately deprive itself of a discretion which all other tribunals were free to exercise.

There was similar criticism concerning the provision that protected the aggressor State against any change of frontier, and any intervention in domestic affairs. While in general agreement on this point, the British Government added :

The aggression may have been utterly unprovoked; it may have been barbarously conducted; it may be the work of a corrupt and tyrannical administration; and it may be the inevitable result of cruel mis-government on the aggressor's side of an illdrawn frontier. Are we to lay it down for all time that, in such a case, the League shall do nothing to prevent a repetition of the offence but ask for money? This may, indeed, be all that is possible; but would it not be wise to let the League itself resolve this problem, if unhappily the occasion should ever arise?

e) The British Government was further of opinion that the provisions of the Protocol concerning sanctions

"insensibly suggested the idea that the vital business of the League was not so much to promote friendly co-operation and reasoned harmony in the management of international affairs, as to preserve peace by organising war, and possibly war on the largest scale".

f) To conclude, it stated that it failed to see how the application of the Protocol would inevitably be followed by disar-

mament. It mentioned certain cases in which the Protocol might only extend the area of war, a possibility which, if realised, would not improve the chances of general disarmament.

3. PROPOSAL OF THE BRITISH GOVERNMENT WITH REGARD TO SPECIAL AGREEMENTS CONCLUDED IN THE FRAMEWORK OF THE COVENANT (1).

In the final part of the statement, the British Government suggested a solution designed to allay the existing fears of war :

The brooding fears that keep huge armaments in being have little relation to the ordinary misunderstandings inseparable from international (as from social) life—misunderstandings with which the League is so admirably fitted to deal. They spring from deep-lying causes of hostility which, for historic or other reasons, divide great and powerful States. These fears may be groundless; but if they exist they cannot be effectually laid by even the most perfect method of dealing with particular disputes by the machinery of enquiry and arbitration. For what is feared in such cases is not injustice but war—war deliberately undertaken for purposes of conquest or revenge. And, if so, can there be a better way of allaying fears like these than by adopting some scheme which should prove to all the world that such a war would fail?

Since the general provisions of the Covenant cannot be stiffened with advantage, and since the " extreme cases " with which the League may have to deal will probably affect certain nations or groups of nations more nearly than others, His Majesty's Government conclude that the best way of dealing with the situation is, with the co-operation of the League, to supplement the Covenant by making special arrangements in

(1) On February 9th, 1925, the German Government addressed to the Allied Governments a Note stating that it would consider as acceptable a pact which formally guaranteed the present *status quo* on the Rhine.

order to meet special needs. That these arrangements should be purely defensive in character, that they should be framed in the spirit of the Covenant, working in close harmony with the League and under its guidance, is manifest. And, in the opinion of His Majesty's Government, these objects can best be attained by knitting together the nations most immediately concerned, and whose differences might lead to a renewal of strife, by means of treaties framed with the sole object of maintaining, as between themselves, an unbroken peace. Within its limits no quicker remedy for our present ills can easily be found or any surer safeguard against future calamities.

This statement was followed by a debate in the course of which all the members of the Council stated their point of view. Several of them, in particular those who had signed the Protocol in September on behalf of their Governments, endeavoured to refute the criticisms of the British Government. They proclaimed their faith in the efficacy of the Protocol and their desire, whatever might happen to direct their country's policy in accordance with its provisions.

It is unnecessary to retrace here the arguments put forward, as their substance is contained in the reports of M. Politis and Dr. Benes quoted in the preceding chapter. On the other hand, it is necessary to give the replies of the members of the Council to the British representative's suggestion concerning the conclusion of special agreements.

The French representative, M. Briand, agreed with this suggestion, emphasising its connection with the treaty of mutual assistance, drafted in 1923.

We are told that perhaps, all the same, the Covenant is not sufficient in itself, that it might have to be amended in certain respects, and that even in 1923, the movement in this direction would perhaps have achieved results, might indeed still do so if it were resumed. This constitutes a kind of appeal to a procedure of mutual assistance which in any case

is not the same as absolute powerlessness and absolute negation. My Government, Gentlemen—and I make this statement in its name—remains definitely attached to the Protocol, but it does not refuse to enter into any discussion for improving it.

The Italian representative, M. Sciajola, also approved the idea of purely defensive agreements framed in accordance with the Covenant, working in close harmony with the League and under its guidance, and knitting together the nations most immediately concerned, whose differences might lead to a renewal of strife by means of treaties framed with the sole object of maintaining, as between themselves, an unbroken peace.

The Belgian delegate, M. Hymans, said that this idea had been advocated by his Government ever since the armistice. The idea of special agreements was contained in the mutual assistance scheme of 1923, and appeared again in the shape of regional agreements in the Protocol of 1924.

Dr. Benes, who had reported on the Protocol, recalled the fact that he had supported the special agreements theory at five League Assemblies, and expressed his satisfaction at the proposal of the British Government and its acceptance by several of his colleagues.

We want peace and security, and, as I have already said, I think we shall get it sooner or later through some system applying in one form or another the leading ideas of the Protocol. Meanwhile it is perfectly possible to begin by other attempts, for in the end we shall reach the same result.

The only question that remains is how and when we shall reach it. Ways of attaining the end may be different, as we have seen in our discussions, and I hope that the debates in the next Assembly on arbitration will take us a further step forward towards our aim.

I am not pessimistic either as to the time when the aim will be realised; it is obvious that time is necessary for an undertaking of this sort.

Thus, at the precise moment when the difficulties which had arisen seemed likely to hamper and delay the technical work undertaken by the League, a suggestion was made which held out hope of bringing the labours of 1923 and 1924 to a successful conclusion.

The endeavour of the principal sufferers from the war to introduce methods of conciliation and arbitration, to develop the guarantee of security and thus to create an atmosphere favourable to the reduction of armaments, was the first sign of the new development which originated with this debate.

4. SUPPORT GIVEN BY THE ASSEMBLY TO THE IDEAS EMBODIED IN THE LOCARNO TREATIES — CONCILIATION AND ARBITRATION.

In 1925, the Assembly noted the political problems put to the Council some months before, and the possibility of reaching a solution. It drew up a programme for the organisation of peace, whose guiding principles have directed the work up to the present day. It emphasised the "fidelity and unanimity with which the members of the League remained attached to the triple object underlying the draft Protocol, namely, arbitration, security and disarmament, and endeavoured to indicate methods or measures by which an approach might be made to this object, pending the achievement of a general settlement which many considered indispensable.

Numerous delegations expressed themselves in favour of arbitration agreements. The Belgian, Danish, Swedish and Japanese delegations deposited draft resolutions on the subject. The more general of these proposals dealt not only with arbitration, strictly speaking, but also with conciliation, a factor whose importance had frequently been recognised by preceding Assemblies, either as a preliminary to arbitration

or judicial settlement, or as an accessory method of settlement for disputes not submitted for judicial settlement.

For the coming year, the Assembly asked the Council to undertake not only a theoretical study of the problem as a whole, but above all, a practical enquiry with regard to the pacific settlement of international disputes, taking account of all the proposals, declarations and suggestions made in the Council or the Assembly.

It adopted, with certain amendments, a draft resolution submitted by M. Quinonès de Léon (Spain) containing the following passage dealing with the preparation of the Locarno agreements :

(The Assembly)

Regards favourably the effort made by certain nations to attain those objects by concluding arbitration conventions and treaties of mutual security conceived in the spirit of the Covenant of the League of Nations and in harmony with the principles of the Protocol (Arbitration, Security, Disarmament);

Records the fact that such agreements need not be restricted to a limited area but may be applied to the whole world;

Recommends that, after these conventions and treaties have been deposited with the League of Nations, the Council should examine them in order to report to the Seventh Assembly on the progress in general security brought about by such agreements.

5. THE LOCARNO AGREEMENTS AND THE LEAGUE OF NATIONS.

In the agreements initialled at Locarno on October 16th, 1925, and signed in London on December 1st, were embodied certain principles formulated by the League organisations during the preceding years.

The Treaty between Germany, Belgium, France, Great Britain and Italy was a treaty of security with detailed provisions for the intervention of the Council in certain cases. Similarly, the agreements between France and Poland and France and Czechoslovakia contemplate action with a view to the enforcement of Article 10 of the Covenant.

The four arbitration conventions, between Germany and Belgium, France, Poland and Czechoslovakia constitute an application of the work done on arbitration and conciliation. They were all four drafted in identical terms and provided for the constitution between the Contracting Parties of permanent conciliation commissions, to which might be submitted, by agreement, the disputes mentioned in Article 13 of the Covenant. These Commissions were to be constituted as recommended in 1922 by the Third Assembly. Article 16 of the Conventions provides for reference, in certain cases, to the Permanent Court of International Justice.

These agreements entered into force on Germany's admission to the League, and remain in force until the Council, at the request of one or other of the High Contracting Parties — notified to the signatories three months in advance — and voting at least by two-thirds majority, decides that the League of Nations ensures sufficient protection to the parties.

The object of these agreements is to provide for the peaceful settlement of disputes of every nature which may eventually arise between the signatories, and to give these Powers supplementary guarantees within the framework of the Covenant and the Treaties in force.

In the final Protocol, the signatories expressed their firm conviction that the entry into force of these agreements would effectively hasten the disarmament contemplated in Article 8 of the Covenant, and undertook to give their cooperation in this direction.

6. CHARACTER OF THE LOCARNO AGREEMENTS,

The Locarno Agreements constitute a new departure in so far as they combine the more important features of various types of earlier treaties of arbitration and conciliation, and guarantee. These features may also be found in the Covenant and the Draft Protocol, and the Locarno Agreements thus fit into the framework of the League. As contemplated in the Treaty of Mutual Assistance, they are concluded between States whose conflicting interests might give rise to disputes.

By the Treaty between Germany, Belgium, France, Great Britain and Italy, the Contracting Parties express their desire to give all the signatories supplementary guarantees within the framework of the Covenant. They severally guarantee the maintenance of the territorial *status quo* between Germany and Belgium, and between Germany and France, and the observance of the stipulations of the Peace Treaty concerning the demilitarised Rhine zone. Germany and Belgium, and also Germany and France mutually undertake that they will in no case attack or invade each other or resort to war against each other. This stipulation does not apply in the case of legitimate defence, action in pursuance of Article 16 of the Covenant, or joint action as a result of a decision taken by the League. In no case shall the treaty be interpreted as restricting the duty of the League to take whatever action may be deemed wise and effectual to safeguard the peace of the world.

The treaty provides for the compulsory settlement by peaceful means of any dispute which may arise between Germany and Belgium or Germany and France, where it is impossible to settle a dispute by the normal methods of diplomacy, any question with regard to which the parties are in conflict as to their respective rights shall be submitted

to judicial decision; and all others to a Conciliation Commission. If the proposals are not accepted by the two parties, the question will be brought before the Council which will deal with it in accordance with Article 15 of the Covenant; by agreement between the parties conciliation may also be resorted to as a preliminary mode of settlement for cases which would normally be submitted for judicial settlement or arbitration.

The four Conventions which were concluded in addition to the Treaty of Guarantee arrange for similar procedure as regards arbitration and conciliation. The procedure of conciliation is dealt with in detail. As regards arbitration, the parties, failing a special agreement to that effect, are entitled to refer the matter to the Permanent Court of International Justice.

The Franco-Polish and Franco-Czechoslovak agreements provide that the parties shall lend each other immediate aid and assistance in the event of either of them suffering from a failure to observe the undertakings given at Locarno with a view to the maintenance of general peace, if such failure is accompanied by an unprovoked recourse to arms.

7. DEPOSIT OF THE LOCARNO AGREEMENTS WITH THE LEAGUE OF NATIONS.

On December 14th, 1925, during the thirty-seventh session of the Council, the British representative, Sir Austen Chamberlain, and the French representative M. Paul-Boncour, solemnly deposited the Locarno agreements in the archives of the League of Nations.

Sir Austen Chamberlain said :

You will remember that at the last Assembly of the League of Nations considerable discussion took place on the subject

of arbitration, security and reduction of armaments, and that the Assembly eventually adopted a resolution which, amongst other things, declared that the Assembly, convinced that the most urgent need at the present time is the re-establishment of mutual confidence between nations, regards favourably the efforts made by certain nations to attain that object by concluding arbitration conventions and treaties of mutual security conceived in the spirit of the Covenant of the League of Nations and in harmony with the Protocol of Arbitration, Security and Disarmament.

He added :

In placing these documents under the guardianship of the League and attributing to the League all the authority which is therein specified, not less than by the agreement come to between Germany and the other nations that as part of those agreements Germany should enter the League of Nations, we have made a contribution which I trust will be acceptable to the League towards the support and increase of its authority and strength.

M. Paul-Boncour read a telegram from M. Briand (whose duties had prevented him from presiding at the meeting) containing the following passage :

These treaties which are inspired by the provisions and directing principles of the Covenant, are designed to be the beginning, between the States which have signed them, of normal relations based on equal desire to achieve conciliation within the limits of the Treaties and of the rights of each party.

M. Paul-Boncour added :

This is, for the League of Nations, and for all those who since its inception have devoted their efforts and consecrated their faith to the League — and I would remind you that there are here present some of the most distinguished of these persons — the highest reward, since the fundamental principles

underlying the League of Nations and its usefulness in the world are to-day confirmed.

M. Sciajola, Italy, examined the legal aspect of these treaties. He said :

We have established an organisation at Locarno which at first sight may appear complicated, but which is in fact very simple. The questions which can be settled by a legal procedure are submitted to arbitration or to the Permanent Court of International Justice. Other questions are sent to Conciliation Committees which have a wider competence—or rather an unlimited competence. As a final resort, if the conciliation committees are unable to achieve agreement, though we hope that they will always be able to find a way to eliminate causes of dispute, the questions are submitted to the Council, which is specially qualified and established to deal with such matters by the Covenant of the League, but which may perhaps have needed the preparatory organisations which we created at Locarno.

The other members of the Council associated themselves with the words of these three representatives and stated their conviction that, through the work it had already done, the League had had an important influence on the conclusion of these agreements.

CHAPTER V

Resumption of the preparatory Work. Decisions of the Assembly and the Council.

I. SITUATION AT THE END OF 1925.

The year between the Assemblies of 1924 and 1925 was almost entirely devoted to the discussion of the Protocol.

The preparatory work for the Conference on Reduction of Armaments was interrupted as the conference itself depended on the entry into force of the Protocol.

When the Assembly met in September, 1925, the preparations for the Locarno agreements were well advanced and all the members of the League associated themselves with this endeavour to restore a greater measure of security to Europe. Their approval was embodied in a resolution submitted by M. Quignonès de Léon, and examined in the preceding chapter.

In anticipation of the Locarno agreements, the Assembly drew up a new programme and asked the Council to turn its attention to the constitution of committees with the necessary instructions.

This decision was reached after an exhaustive debate. A certain number of delegations expressed doubts whether it would not be preferable to await the results of the negotiations, and the effects which the successful issue of such negotiations might have on the preparation and conclusion of similar agreements, before the Council committed itself too definitely to preparatory studies for the reduction and limitation of armaments. They considered that this reduction and limitation would have no solid foundation until the political conditions under which they would be carried out were defined.

Other delegations thought that, while deferring until the most suitable moment—to be chosen by the Council—the summoning of an international conference for the reduction and limitation of armaments, it was essential that the preliminary work should be begun without delay.

The Assembly thought that these two points of view might be reconciled. On the one hand, though it was premature to contemplate immediately in all its details the summoning of an international conference, it was none the less possible

to begin the preliminary enquiries in so far as they might relate to all questions not directly affected by the international political situation. Accordingly, in the final paragraph of the resolution submitted by M. Quiñones de León, the Assembly invited the Council to engage in preparatory studies for the organisation of a conference, in order that the conference might be convened as soon as satisfactory conditions had been assured from the point of view of general security, as provided in Resolution XIV of the Third Assembly.

As will be seen in the following chapter, the Preparatory Commission for the Disarmament Conference was constituted in virtue of this resolution.

Its programme of work, which bore on the technical aspects of the question and its connection with the security problem, was drawn up after the Locarno Agreements had been signed.

2. GUIDING PRINCIPLES OF THE NEW WORK. — SIMULTANEOUS EFFORTS AS REGARDS ARBITRATION, SECURITY AND REDUCTION OF ARMAMENTS.

The work entrusted to the Council and its advisory organisations aimed at the re-establishment of mutual confidence between nations and included studies along the following lines: *a)* Development of arbitration and security agreements of the Locarno type; *b)* completion of the technical work so as to enable a conference to be convened as soon as possible.

As it was not possible to apply the general solution proposed by the Protocol, the League's work from this moment concerned the investigation of special solutions.

The Locarno agreements were signed towards the end of 1925. In September, 1926, Germany was admitted to the League. At that moment the Assembly had before it the reports of the Council on the results obtained in the course

of the year which are summarised in the following chapter. It was thus able to confirm more definitely the instructions given the year before on which action was subsequently taken by the Council in December 1926.

The Assembly examined in particular the progress made in arbitration and security as described in a systematic survey of arbitration and security agreements prepared at its request by the League Secretariat. As stated by the rapporteur, M. Lazare Marcovitch, the Assembly's principal aim was to promote the development of international relations in the spirit of mutual confidence and security which prevailed at Locarno. The resolution adopted by the Assembly bore some relation to those of previous years, and more particularly to those of September 25th, 1925. It was designed to testify to the League's desire to promote the continuation of the work accomplished at Locarno, and to make that work more far-reaching by extending it to other regions of Europe and of the world as a whole.

The Assembly further stated that the conclusion of such agreements was a definite step forward in the establishment of mutual confidence and security, the indispensable conditions of the maintenance of international peace, and as such would facilitate the reduction and limitation of the armaments of all States.

The Assembly recommended that the limitation and reduction of armaments should correspond to existing conditions in regional and general security. It requested the Council to take action towards the application of these principles, expressing its conviction that the general ideas embodied in the clauses of the Locarno Treaties, whereby provision was made for conciliation and arbitration and for security by the mutual guarantee of States against any unprovoked aggression, might well be accepted amongst the fundamental rules which should govern the foreign policy of every civilised nation.

The Assembly accordingly invited the Council to recommend States members to put into practice the above-mentioned principles, and to offer, if necessary, its good offices for the conclusion of suitable agreements. This was a new departure which was subsequently approved by the Council. At that moment, as specified in the report, the Council had merely to give its encouragement and make a recommendation. The idea was nevertheless resumed later, and the Council is still studying the possibility of putting it into practice.

This was the general basis of the Preparatory Commission's work for the Disarmament Conference which it began in 1926, and upon which it is still engaged, a fresh impetus having been given by the 1927 Assembly. The main lines are described in the four following chapters. The first deals with the organisations preparing the Conference. It contains a list of the Committees and Commissions set up by the Council with their programme, which has been developed and completed as the discussions advanced and as possible solutions were gradually outlined. The other three chapters summarise the results obtained. They deal respectively with arbitration, security and the reduction and limitation of armaments.

CHAPTER VI

The Preparatory Commission for the Disarmament Conference. First Session.

In December, 1925, the Council, in accordance with the instructions of the Assembly, reorganised the Commissions preparing the Disarmament Conference. It had before it

proposals drawn up by its committees summarised in a report by M. Paul-Boncour, which it adopted almost entirely. It must be noted that, in addition to the Permanent Advisory Commission for military, naval and air questions, the Council Committee on Disarmament constituted the year before played an extremely important part in coordinating and directing the work.

The Council decided to set up the Preparatory Commission for the Disarmament Conference which has become the principal organ of this work. It is composed : a) of representatives of the States Members of the Council; b) of representatives of States which are in a special position as regards disarmament by reason of their geographical situation, and which are not otherwise represented on the Commission.

Two non-Member States sit on the Commission : the United States (1) since the beginning, and more recently the Union of Socialist Soviet Republics, whose representative took part in the session of november 1927.

There are at present twenty-six members on the Commission, all Government representatives, as the Council considered that this was necessary on account of the importance of the questions raised. Any State not represented on the Commission is entitled to submit memoranda on points which are of special interest to it and to be heard

(1) At the first meeting of the Commission the United States representative Mr. Gibson, recalled the reasons why his Government had agreed to send a representative, as stated by the President in his message to Congress on January 4th :

“ The general policy of this Government in favour of disarmament and limitation of armaments cannot be emphasised too frequently or too strongly. In accordance with that policy, any measure having a reasonable tendency to bring about these results should receive our sympathy and support. The conviction that competitive armaments constitute a powerful factor in the promotion of war is more widely and justifiably held than ever before, and the necessity for lifting the burden of taxation from the peoples of the world by limiting armaments is becoming daily more imperative ”.

in support of its memoranda. The Commission may further invite any States, which in its opinion is particularly concerned, to co-operate in work on special questions.

The Commission may seek the cooperation and advice of the competent League organisations, which may of their own initiative present any suggestions which they consider useful. For the military, naval or air aspect of questions the Commission is assisted by the Permanent Advisory Commission; for economic questions it is assisted by a special body, the Joint commission composed of two members of each of the Economic, Financial and Transit Organisations, and of representatives of workers and employers' groups of the Governing Body of the International Labour Office.

There are two expert committees; one on civil aviation, and the other on budget questions. Finally, the Preparatory Commission can always summon and hear any persons whose special qualifications are calculated to facilitate its work on a given subject.

In his report to the Council, Dr. Benes described as follows the programme of the Commission :

These proposals are very skilfully designed to meet the requirement that the higher political direction and coordination of the preliminary work should be concentrated in the hands of accredited representatives of the Governments. In view of the very diverse features which the problem presents in different parts of the world and in order to meet the wishes of the Assembly, the scheme rightly provides for the extension of the leading organisation by adding to the representatives of States Members of the Council a certain number of representatives of other States which are in a special situation in regard to this problem. It also provides means of enabling States not directly represented to make their views heard, and it empowers this Commission of Government representatives to obtain the opinions of experts specially qualified to advise on particular questions. Another advantage offered

by the scheme submitted to us is that it creates a well-defined yet elastic, system of cooperation in the work of disarmament with the technical organisations of the League.

The Preparatory Commission set up two Sub-Commissions, Sub-Commission A (Military Questions) composed of a military, naval and air expert for each of the countries represented on the Commission; Sub-Commission B (Economic Questions) composed of a representative of each delegation to the Preparatory Commission. The President of the Plenary Commission, which held its first session in May, 1926, is the Netherlands representative, Mr. Loudon.

I. PROGRAMME OF WORK.

The original programme of the Preparatory Commission was drawn up by the Council Committee on Disarmament whose report, prepared by M. Paul-Boncour, was submitted to the Council in 1925.

The Committee of the Council had had to consider three lists of questions; one submitted by Lord Cecil (British Empire); one by M. Paul-Boncour (France) and the third by M. Cobian (Spain). On the basis of these lists the Committee drew up a questionnaire which was adopted by the Council with slight changes and finally became the programme of the Preparatory Commission. This questionnaire took account of the various points of view which had been revealed by the discussions both on the technical aspect of the questions and on the problem of security—points dealt with in a paragraph contemplating the possibility of making reduction of armaments proportionate to conditions of security and referring also to the question of mutual assistance economic and military.

In the report which Dr. Benes submitted to the Council on the subject, attention was drawn to certain political ques-

tions. The first concerned the interdependence of armaments. The French, Italian and Japanese representatives having stated on behalf of their Governments that they could not see their way to dissociate the various kinds of armaments—military, naval and air — and to consider them at separate conferences.

The rapporteur explained the position as regards the “potential war strength”, a question which had often been discussed by the League organisations. He drew attention to the fact that the question was not to find a basis of comparison nor to effect a reduction, but to compensate potential war strength by economic and financial assistance.

A large number of delegates urged that it was impossible to deal with the disarmament question without reference to what has been called the potential war strength of the various countries—in other words, their population and their economic and industrial resources. As there could be no question of effecting a reduction in such factors, nor even of usefully examining them, they thought that it would not be practicable to find a fair basis for comparison between peace-time armaments properly so called unless the potential war strength of various countries were made comparable by organising economic and financial assistance as provided in principle in Article 16 of the Covenant.

The rapporteur then dealt with the question of the forces to be brought into line against a State guilty of aggression :

The French representative having laid great stress on the point that one of the essential objects of the reduction and limitation of armaments was to secure a position in which no country committing an aggression would be able to make head against the total forces which could be brought against it by the Members of the League acting conjointly in pursuance of Article 16 of the Covenant and of regional agreements as contemplated in Article 21.

Finally, the extremely controversial question of the international supervision and the limitation of armaments was touched upon :

The British, French and Spanish delegates expressed the opinion that the question of an international supervision to ensure that the observance of limitation of armaments was being observed should be examined by the Preparatory Commission. The French delegate emphasised the necessity of such supervision, particularly during the period when the arbitration and conciliation proceedings provided for in the Covenant of the League of Nations and in the various agreements recently concluded were in progress.

On this subject the Council Committee on Disarmament had not reached any conclusion. It had confined itself to submitting to the Council two statements giving the different points of view and recalling that M. Cobian (Spain) had proposed that an international organisation should be appointed to ensure the supervision and the limitation of armaments. The first statement was submitted by Viscount Cecil :

One question would at any rate have to be added. The Preparatory Commission would have to enquire into the nature of the international supervision to be, if possible, established in order to make sure that countries kept within the limits of the scale of armaments which had been fixed for them. It might prove impossible to establish such international supervision, and countries might have, as at present, to rely on their military attachés, but this was a matter which the Preparatory Commission should investigate.

The second by M. Paul-Boncour :

If the limitation of armaments were not to have as a counterpart a general system of control, it would be equivalent to placing a premium on bad faith. If, however, only the visible disarmament in peace time were taken into account, this control could only be exercised over the actual troops in bar-

racks and on the material of war in the magazines. On the other hand, were account to be taken of the potential war strength, it would have to be admitted that war material would have at the same time to be controlled and that control should be particularly active and vigilant during the period when the procedure of conciliation and arbitration was being applied. This procedure had just been defined by the recent agreements, which contained valuable promises of security.

2. LIST OF QUESTIONS REFERRED TO THE PREPARATORY COMMISSION.

The following questions were referred to the Preparatory Commission :

Question I.

What is to be understood by the expression " armaments " ?

(a) Definition of the various factors—military, economic, geographical, etc.—upon which the power of a country in time of war depends.

(b) Definition and special characteristics of the various factors which constitute the armaments of a country in time of peace; the different categories of armaments—military, naval and air—the methods of recruiting, training, organisations capable of immediate military employment, etc.

Question II.

(a) Is it practicable to limit the ultimate war strength of a country, or must any measures of disarmament be confined to the peace strength?

(b) What is to be understood by the expression " reduction and limitation of armaments " ?

The various forms which reduction or limitation may take in the case of land, sea and air forces; the relative advantages or disadvantages of each of the different forms or methods; for example, the reduction of the larger peacetime units or of

their establishment and their equipment, or of any immediately mobilisable forces : the reduction of the length of active service, the reduction of the quantity of military equipment, the reduction of expenditure on national defence, etc.

Question III.

By what standards is it possible to measure the armaments of one country against the armaments of another, *e. g.*, numbers, equipment, expenditure, etc.?

Question IV.

Can there be said to be "offensive" and "defensive" armaments?

Is there any method of ascertaining whether a certain force is organised for purely defensive purposes (no matter what use may be made of it in time of war), or whether, on the contrary, it is established for the purposes in a spirit of aggression?

Question V.

(a) On what principle will it be possible to draw up a scale of armaments permissible to the various countries, taking into account particularly :

Population;

Resources;

Geographical situation;

Length and nature of maritime communications;

Density and character of railways;

Vulnerability of the frontiers and of the important vital centres near the frontiers;

The time required, varying with different States, to transform peace armaments into war armaments;

The degree of security which, in the event of aggression, a State could receive under the provisions of the Covenant or of separate engagements contracted towards that State?

(b) Can the reduction of armaments be promoted by examining possible means for ensuring that the mutual assistance,

economic and military, contemplated in Article XVI of the Covenant shall be brought quickly into operation as soon as an act of aggression has been committed.

Question VI.

(a) Is there any device by which civil and military aircraft can be distinguished for purposes of disarmament? If this is not practicable, how can the value of civil aircraft be computed in estimating the air strength of any country?

(b) Is it possible or desirable to apply the conclusions arrived at in (a) above to parts of aircraft and aircraft engines?

(c) Is it possible to attach military value to commercial fleets in estimating the naval armaments of a country?

Question VII.

Admitting that disarmament depends on security, to what extent is regional disarmament possible in return for regional security? Or is any scheme of disarmament impracticable unless it is general? If regional disarmament is practicable, would it promote or lead up to general disarmament?

The Preparatory Commission began to work on this programme in May 1926, entrusting to its Sub-Commissions and advisory organisations a certain number of tasks of which the results are described in the following chapters.

3. ADDITIONS TO THE PROGRAMME OF SECURITY.

In the course of the work several questions were raised which made it necessary for the Council Committee to intervene. They concerned proposals made by the French, Polish and Finnish Delegations during the debate on the questionnaire concerning security. The object of the French proposal was :

(1) To establish methods or regulations which would faci-

litate the meeting of the Council in case of war or threat of war;

(2) To enable the Council to take such decisions as might be necessary to enforce the obligations of the Covenant as expeditiously as possible;

(3) To investigate procedure for the rapid drafting of recommendations regarding the military assistance provided for by Article 16 of the Covenant, and measures for preventing hostilities, and

(4) To study measures which would enable the Council to give most rapidly such economic and financial help as might be necessary to a State which had been attacked.

The Polish proposal concerned the special organisation of regional assistance.

The Finnish proposal aimed at organising in advance financial assistance for certain States which would be more particularly exposed to attack.

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Such are the general lines of study pursued by the organisations set up by the Council. Numerous meetings have been necessary. The Commission and Committees are still at work. The results obtained, though not yet definitive, have marked a considerable step forward in the technical preparation of the Conference, and have contributed to the development of the procedure for the pacific settlement of international dispute.

CHAPTER VII

Arbitration and Conciliation.

Once it had been decided that the preparatory work should be resumed, and before the Council and its Committee had drawn up a general programme, the Assembly of 1925 turned its attention to arbitration and conciliation and recommended this procedure to the members of the League.

The debate on the Protocol was still too recent for the Assembly to invite the Council to resume its study of the principles of compulsory arbitration set forth in the first part of the Protocol, as proposed by M. Unden on behalf of the Swedish delegation. Several members of the Assembly had considered that it would be unwise to state in advance that the best means of promoting compulsory arbitration was the constitution of a general and uniform system. It was generally considered that account must be taken of the numerous agreements on arbitration and judicial settlement concluded during the last few years, and that an exhaustive study must be made of them. It would only then be possible to draw the necessary conclusions.

The Assembly also desired to retain the proposal submitted by M. Adatci, on behalf of the Japanese delegation, which concerned not only compulsory arbitration strictly speaking, but also conciliation, the importance of which had several times been recognised.

It accordingly invited the Council to institute a theoretical and practical study of the whole problem of the pacific settlement of international disputes.

The Assembly noted that one of the results contemplated by the Protocol, namely, the absolute prohibition of wars of aggression, could also be obtained by the conclusion of arbi-

tration conventions between members of the League, such engagements being guaranteed *ipso facto* by Article 14 of the Covenant and, in a special resolution, drew the attention of Governments to the desirability from the point of view of their security, of concluding particular conventions for arbitration or for the judicial settlement of disputes.

I. ARBITRATION AND CONCILIATION.

In 1926, the League Secretariat prepared at the request of the Council, a systematic survey of the arbitration and conciliation conventions, and of the treaties of mutual security, deposited with the League of Nations.

In the volume published on the subject, the first chapter deals with treaties of arbitration, strictly speaking. The characteristic feature of these Treaties—negotiated as a result of the Second Hague Conference of 1907—is that disputes in respect of which the parties must resort to arbitration are limited in the sense that only disputes of a legal character are to be dealt with by this procedure. There are a certain number of reservations.

Apart from these treaties with a restricted scope, there is another category which provides for compulsory arbitration between the contracting parties over a wider field. Such treaties extend to disputes which are not of a legal nature, and they employ wider terms, such as “the High Contracting Parties undertake to submit to arbitration all disputes of whatever nature, etc.”

These treaties which also contain certain reservations, were, in general, concluded in more recent times, particularly after the war.

Chapter II deals with Treaties of Conciliation.

In principle, a treaty of conciliation establishes, as between the parties, an obligation to submit disputes which may arise

between them to a Conciliation Commission or Commissioner. The essential difference between treaties of conciliation and arbitration treaties is that under the former the parties are obliged, in the first instance, to have recourse to the procedure for conciliation, but they are not necessarily obliged to abide by its result. The proposals of a conciliation commission must be, from their nature, optional; whereas the decisions of arbiters are binding.

A considerable number of the conciliation treaties were negotiated after the adoption by the Third Assembly of the League of Nations on September 22nd, 1922, of the recommendation in favour of treaties of conciliation.

These treaties provide for the establishment of permanent commissions of conciliation. They contemplate the procedure of conciliation as a parallel method to that of compulsory arbitration. Disputes capable of judicial settlement are not necessarily to be submitted to the preliminary procedure of conciliation—although the parties may agree that this should be done.

Chapter III concerns treaties of arbitration and conciliation which provide in one and the same instrument for arbitration or judicial procedure, and also for conciliation.

2. WORK OF THE COUNCIL.

The Council forwarded the survey prepared by the Secretariat to the 1926 Assembly. It set forth the number of treaties studied, saying that "it was happy to note this striking evidence of the spirit of conciliation which exists in international relations" and adding that "without doubt the most complete success achieved by this spirit in recent times was the Locarno group of treaties".

It had also instituted a study of all the proposals, declarations and suggestions presented to the Assembly with a

view to the pacific settlement of disputes. It considered that the general impression was that the movement for the pacific settlement of disputes which had undoubtedly started in the public opinion of all civilised nations, was acquiring an ever-increasing force and should already be regarded as part of the practical policy which a number of States were in a position to adopt.

The Council then enumerated the various tendencies which might be observed. It noted that the first was towards the development of methods of conciliation :

This method of conciliation is regarded from two points of view — as a preliminary stage, coming before arbitration and judicial settlement in the case of disputes which could ordinarily be settled by those methods if conciliation failed, or as a subsidiary method of settlement for disputes which are not submitted to judicial settlement. The tendency towards the development of conciliation takes two different forms :

(a) The consideration of the problem of conciliation as a whole, that is to say, from the standpoint of a general convention for the avoidance and, if possible, the settlement of international disputes by the system of conciliation. This tendency appears in the proposal to consider the possibility of improving the model conciliation convention drafted by the third Assembly (proposal of the Japanese delegation).

(b) The discussion of the desirability of establishing special conciliation committees — for example, for the affairs of Eastern Europe, for Eastern affairs, for American affairs — which would be in the nature of advisory committees to advise the Council when necessary.

In the opinion of the Council there was also a tendency to reaffirm, after the failure of the Protocol, the principle of compulsory arbitration. In this connection it noted that certain States Members had continued to be in favour of the general adoption of the principle of compulsory arbitration,

with the creation of arbitration zones which it was hoped would gradually extend.

The Council noted in conclusion that this active movement in favour of arbitration was a sure sign of the goodwill of the different States to establish peace on a solid footing. It considered it possible to hope that the development of such agreements would help to bring about the general solution which the Assembly had so often endeavoured to find. In any event the conclusion of such special agreements, far from being an obstacle to such a solution, could do nothing but assist it.

CHAPTER VIII

Security.

Enquiries into the question of security were undertaken by the Council Committee on Disarmament, assisted by the Committee on Communications and Transit and the Financial Committee.

These enquiries were conducted on the lines indicated by the Assembly, and bear in particular (1) :

(1) The Report of the Council to the Seventh Assembly in 1926 contains the following passage :

"Side by side with the proposals made for the pacific settlement of international disputes, mention should be made of the views expressed as to the causes of these disputes, so that, in the striking words of M. Scialoja, "law, no longer confined to the external form of international relations, may better regulate these relations themselves". It is difficult to draw a line between the moment when a dispute could be settled and the moment when it could be avoided. In 1924, when the Protocol was under discussion, M. Jouhaux, of the French delegation, called the Assembly's attention to the economic causes of international disputes and the necessity of coping with them by means of an international organisation. This idea has been expressed on several occasions by the Italian delegation at the Assemblies of 1924 and 1925. It reappears in 1925 in a speech by Dr. Caballero, delegate of Paraguay, and obviously exercised a strong influence on the decision of the sixth Assembly upon the French proposal for the convening of an Economic Conference."

(a) on practical measures for strengthening the preventive action of the Council as mentioned in Article II of the Covenant,

(b) on methods or regulations to ensure the rapid working of the League organs in times of emergency,

(c) on financial assistance for States attacked.

At the same time the Council pursued the action which the Assembly had asked it to undertake with a view to the conclusion of treaties of the Locarno type.

I. MEASURES TO FACILITATE THE APPLICATION OF ARTICLE II OF THE COVENANT.

The studies of preceding years had shown the importance of the preventive action of the Council. The experience of the Council had confirmed these conclusions; the Preparatory Commission of the Council Committee consequently could not fail to be impressed by the importance attached to the procedure adopted by the Council when acting under Article II.

Attention was drawn to this question in a report submitted to the Council Committee in December 1926 by M. de Brouckère as a result of which three members of the Council Committee (M. de Brouckère, Lord Cecil and M. Titulesco) were requested to draw up a detailed scheme which the Council Committee terminated and adopted in March 1927, and which the Council itself adopted in December of the same year on the recommendation of the Assembly.

Considering that it would not be advisable to draw up definite rules for the procedure of the Council in cases contemplated by Article II, the Committee had not endeavoured to establish a code of procedure or to give an interpretation of Article II. It had confined itself to indicating measures which might be taken by the Council in given circumstances.

These measures are based mainly on resolutions of the Assembly and the Council, and on the precedents established by the Council more especially in connexion with the Greco-Bulgarian frontier incident.

This report sums up the experience of the past few years as regards the prevention of conflicts and constitutes, with due reference to established practice, a guide for the future action to the Council. Its title is: *Report on methods or regulations which would enable the Council to take such decisions as may be necessary to enforce the obligations of the Covenant as expeditiously as possible.*

It should be clearly understood that the measures contemplated below are only cited as examples, and that the value of any other measure which might be taken is neither under-rated nor disputed. It was considered impossible to prescribe by resolutions, recommendations or suggestions, limits to the extensive rights which the League held in virtue of its essential duty, that of effectually safeguarding the peace of nations.

The report emphasises that the procedure instituted under Article 11 in no way implies the exclusion of procedure taken under other provisions of the Covenant. The Aaland Islands question, for example, was referred to the Council by the British Empire in virtue of Article 11, but this did not prevent the Council, acting under Article 4, paragraph 4 (any question affecting the peace of the world) from applying Articles 12, 15 and 17.

If any action is taken by the Council under the provisions of Article 15, the votes of the representatives of the parties will not count for purposes of unanimity as far as such action is concerned. The report referred to in Article 15, paragraph 6, may of course contain any recommendations which the Council may think likely to bring about a settlement of the dispute and prevent a rupture.

The report discriminates between cases where there is no threat of war or where it is not acute, and those where there is imminent threat of war. The measures proposed in the first case are the following :

(a) The Council will consider the question at a meeting, to be called specially if necessary, to which the contending parties will be summoned.

(b) The Council can request an organisation, or even a private individual appointed by it to exercise conciliatory action on the parties.

(c) The Council may also suggest that the dispute be referred to arbitration or judicial settlement, in accordance with the provisions of Article 13 of the Covenant.

(d) If there is a doubt as to the facts of the dispute a League Commission may be sent to the *locus in quo* to ascertain what has actually happened or is likely to happen. It is understood that such a Commission cannot go to the territory of either party without the consent of the State to which that territory belongs.

(e) If, for the accomplishment of its task, the Council deems it necessary, it can, in certain appropriate cases, ask for an advisory opinion from the Permanent Court, or else, in certain special circumstances, from a Committee of Jurists appointed by it.

and in the second case :

(a) Everything should be done to ensure that the Council shall meet with the greatest promptitude.

(b) Even before the Council meets, it is desirable that the Acting President should send telegraphic appeals to the parties to the dispute to refrain forthwith from any hostile acts.

(c) As soon as the Council meets, it will no doubt verbally urge on the representatives of the nations in dispute the great importance of avoiding a breach of the peace.

(d) Further, the Council may take steps to see that the

status quo ante is not disturbed in such manner as to aggravate or extend the dispute and thus to compromise the pacific settlement thereof. For this purpose it may indicate to the parties any movements of troops, mobilisation operations and other similar measures from which it recommends them to abstain.

Similar measures of an industrial, economic or financial nature may also be recommended. The Council may request the parties to notify their agreement on these points within the shortest possible space of time, the length of which will, if necessary, be fixed by the Council.

The details of these measures, and even their nature, obviously depend upon the whole of the circumstances of the dispute. It should be mentioned that, in certain cases with which it has had to deal, the Council fixed a neutral zone on either side, from which the parties to the dispute were called upon to withdraw their troops.

(e) In order to satisfy itself of the way in which these measures have been carried out and to keep itself informed of the course of events, the Council may think it desirable to send representatives to the locality of the dispute.

(f) Should any of the parties to the dispute disregard the advice or recommendations of the Council, the Council will consider the measures to be taken. It may manifest its formal disapproval. It may also recommend to its Members to withdraw all their diplomatic representatives accredited to the State in question, or certain categories of them. It may also recommend other measures of a more serious character.

(g) If the State in default still persists in its hostile preparations or action, further warning measures may be taken, such as a naval demonstration. Naval demonstrations have been employed for such a purpose in the past. It is possible that air demonstrations might within reasonable limits be employed. Other measures may be found suitable according to the circumstances of each case.

If, despite the measures recommended, a resort to war takes place, it is probable that events would have made it

possible to say which State is the aggressor, and in consequence, to enforce more rapidly and effectively, the provisions of Article 16.

2. WORKING OF THE LEAGUE ORGANISATIONS IN TIMES OF EMERGENCY.

The work of the Committee on Communications and Transit, the Council Committee and the Secretariat in regard to methods and regulations to ensure the rapid working of the League organisations in times of emergency was undertaken for the same purpose as the enquiries concerning Article II of the Covenant. In both cases the main pre-occupation is to render the action of the Council at such moments as efficacious as possible.

The settlement of the Greco-Bulgarian frontier incident in 1925 had shewn that the rapid action of the Council was an essential factor in the League's intervention, and the Commission of Enquiry despatched to the spot had recommended that Governments and the League Secretariat should be given special transmission and transit facilities in the event of a threat of war. It contemplated more particularly the use of wireless telegraphy and priority messages.

The Council asked the Committee on Communications and Transit to study this question, referring to it later other and more comprehensive proposals of the Preparatory Commission.

a) *Proposals of the Committee on Communications and Transit for the improvement of the League Communications.* — In this way, the Committee on Communications and Transit was led to examine the whole question of communications concerning the League in times of emergency. It considered what special measures might be taken as regards different kinds of communications to ensure that those of interest to the

League, when called upon to act in virtue of Articles 11, 15, or 16 of the Covenant, should work with the necessary speed and security in the event of the convocation of the Council, and as regards relations of all kinds between the States Members concerned, the Council, the Secretariat and missions sent out by the Council.

Expert advice was sought, and the Committee, after a preliminary investigation, proposed technical measures bearing on communications by rail, air, wire and wireless. They include the modification of time-tables in exceptional cases, the organisation of special trains, connections between different means of communication, transit authorisations for aircraft not belonging to a regular service and transporting members of the Council or League officials, the establishment in each country of a central service for the coordination of League communications, etc.

These proposals were adopted by the Committee of the Council and by the Council itself, which, in December 1926, invited States Members to consider the desirability of assuming an obligation to facilitate by every means in their power the most rapid and effective action of the League organs in case of emergency. It also invited them to give favourable consideration to the technical measures proposed and to take any steps which they might deem possible to facilitate their application.

b) *Study of the use of wireless telegraphy.* — Subsequently the Committee on Communications and Transit undertook further investigations with a view to the application of the measures contemplated in its report. These investigations concerned :

a) The identification of aircraft on League service in times of emergency, and accordingly entitled to special facilities;

b) The equipment of a landing-ground for aircraft

near Geneva offering adequate guarantee for all the League's requirements at times of emergency;

c) The identification of persons entitled to the transport and communication facilities in question;

d) Conditions for the flight in transit of aircraft doing service for the League.

The Committee also made a preliminary study of the possibility of providing the League with a wireless telegraphic station. After consulting experts, it drew up a programme for the establishment, at the seat of the League, of a wireless station which would enable it in time of emergency to have urgent radiotelegraphic communication with the countries affected (in particular, European countries), and, in normal circumstances, to ensure as far as possible its regular telegraphic correspondence (Secretariat, delegations).

c) *Agreement of the Members of the League.* — The Assembly approved these results in 1927. It adopted a formal resolution on the rapid working of the League organisations, once more affirming that States Members are under an obligation to facilitate by all means in their power the rapid meeting of the Council in times of emergency, and it invited them to take all the necessary measures in advance. The Council was asked to continue its studies.

3. MEASURES TO FACILITATE THE APPLICATION OF ARTICLE 16 OF THE COVENANT — FINANCIAL AID FOR STATES ATTACKED.

The technical aspect of the question of financial aid for States victims of aggression (Finnish proposal) was considered by the Financial Committee, which drew up a scheme for the organisation of financial assistance by a system under which the credit of the individual country would be strengthened by association with that of other States.

The credits would be obtained in the ordinary way in the money market, and the attacked State would itself contract a loan on the general security of its revenues, with the aid of an international guarantee, whose mechanism would be similar to that of the Austrian Reconstruction Loan. It is proposed that the scheme and general conditions should be embodied in a convention open for signature by the various States, but that a State should not benefit by it unless it accedes within a given period.

This scheme is at present being studied by the Arbitration and Security Committee constituted by the Preparatory Commission in November, 1927.

4. TREATIES OF GUARANTEE AND SECURITY.

While studying the means of preventing war offered by the Covenant and endeavouring to facilitate the technical preparation and execution of its decisions, the Council did not lose sight of the question of treaties of guarantee and security.

The collection of treaties of arbitration and conciliation prepared in 1926 contains two chapters on treaties of mutual guarantee and the Locarno agreements. The treaties of mutual guarantee published in this volume are usually of greater political than legal interest. The way in which they are drafted shows some signs of the influence of the work done by the League, those more recently concluded containing a statement in one form or another of the principle that the guarantee between States is designed within the framework of the League to reinforce respect for peace by strengthening the sanctions which aggression would incur.

In the report of the Council to the Assembly of 1926, special emphasis is laid on agreements of the Locarno type. It was pointed out that the Locarno agreements might be said to contain in varying degrees all the ideas already embodied in arbitration and conciliation conventions, with the

addition in certain wellknown cases of the idea of military guarantees or sanctions which also figured in the Treaty of Mutual Guarantee of 1923 and the Protocol of 1924.

The Council emphasised the fact that by the Locarno Treaties military intervention on behalf of the State attacked would take place under the strictest international guarantees but that at the same time the sovereignty of the guarantor was scrupulously respected. It further recalled that on several occasions at the Sixth Assembly agreements on the same general lines as the Treaty of Locarno were recommended for other zones of insecurity. Various speakers had emphasised the possibility of achieving the universal solution at which the Protocol had aimed through this more modest system of local solutions which might gradually cover the entire international situation.

CHAPTER IX

Technical Work on Disarmament.

The Preparatory Commission of the Disarmament Conference has now entered upon a decisive stage of its work. It has had abundant material from its Sub-Committees and Technical Committees, the more important part of which is constituted by the report of Sub-Commission A, composed of military, naval and air experts of each of the countries represented on the Preparatory Commission.

I. REPORT OF THE MILITARY TECHNICIANS (SUB-COMMISSION A).

This document includes about 150 pages and is a series of replies to questions put to the Sub-Commission. These

questions were drawn from the list referred to the Preparatory Commission as its programme of work.

The Sub-Commission held three sessions between May 28th and November 5th, 1926, under the successive chairmanship of M. Cobian (Spain), M. Buero (Uruguay) and M. de Brouckère (Belgium).

The delegations reached agreement on numerous points, on others there were differences of opinion which explain the difficulties encountered later by the Preparatory Commission in reaching a unanimous agreement as to the basic principles of a convention for the limitation and reduction of armaments.

It is impossible to summarise briefly the extremely technical and detailed report of Sub-Commission A. For the opinion of the separate delegations reference should be made to the document itself, which contains, in addition to the replies, numerous detailed statements from one or more delegations.

The principal discussions as to what method of limitation and reduction should be chosen may be summed up as follows :

a) *Land Armaments.* — The main discussion bore upon the kind of armaments to be limited or reduced. Certain delegations considered that a distinction must be drawn between peace-time armaments and war-time armaments; and that only the first should be limited.

By peace-time armaments they understood the forces in service in peace-time (forces organised on a permanent footing) and capable of use without preliminary mobilisation measures, together with their material, live-stock and establishments.

War-time armaments were understood to mean forces capable of use in time of war, namely, trained reserves, mobilisation material (stocks of material, material that can be requisitioned) and all other personnel and material that can

be brought into action in the case of hostilities by means of the general resources at the disposal of each country.

The supporters of this theory maintained that only peace-time armaments could be limited, for the reason that these armaments could be used before the issue of the mobilisation order, and were therefore capable of immediate surprise action.

They considered further that as regards armaments used after the outbreak of hostilities, it was impossible to make an arbitral distinction between those prepared in advance and those manufactured at the outset of mobilisation. In certain cases armaments requisitioned and forming part of the national civil plant are utilised even before the material in stock.

To this argument a certain number of delegations replied by a discrimination between forces in service in peace-time, forces prepared for wartime (reserves of trained personnel, stocks of material and preparations of every description undertaken with a view to war) and the ultimate war forces created during hostilities by means of the general resources at the disposal of each country.

These delegations considered that the last-named class was not properly speaking war material, but that on the other hand, the limitations or reductions might bear in varying degrees on the two first classes.

They also maintained that the fact of possessing trained reserves and material for equipping them made it possible to put immediately numerous units into the field and to obtain decisive results from the outset. They considered that it was impossible not to take these factors into account, and that the trained peace-time reserves and the material stocked for their equipment should be limited. It should be noted that, with these exceptions, the military technicians reached agreement on a certain number of principles concerning the scope and efficacy of methods of limitation.

b) *Naval armaments.* — The Sub-Commission recognised that only warships should be limited and that such limitation should not hamper the construction of merchant ships, while at the same time admitting that the merchant fleets had a certain military value. Certain delegates considered that the military value of such fleets should be taken into account when establishing the ratios for the different navies.

As regards the methods of limitation of warships the naval delegates formed two opposing camps. On the one hand it was maintained that the limitation should apply to the total tonnage of each fleet and leave each country free to distribute and arrange this tonnage in the manner best suited to its defence.

At Washington the limitation only applied to capital ships and aircraft carriers. The supporters of the total tonnage argument maintained that this was no reason to continue the system of classes; in the first place because it was difficult to establish an equitable and uniform definition for all countries; in the second place, because this system presented great disadvantages for States with small navies. Limitation by classes would place the weaker navies at a disadvantage.

These delegations asked that the limitation of naval effectives should be placed on the same footing as that of land effectives.

To these arguments the supporters of limitation by classes replied that the fixing of a total tonnage would virtually nullify the stipulations of the convention. This method would make it impossible to maintain the ratio fixed for the strength of the various fleets. The limitation by classes would alone guarantee that any one navy would not develop into a menace for the security of others.

The partisans of this theory were opposed to a limitation of naval effectives which they considered useless. The de-

fenders of both theories based their arguments on experience. The supporters of the total tonnage argument recalled that the League had failed in 1924 in Rome when it had endeavoured to extend the principles of the Washington Naval Treaty to all States. The partisans of limitation by classes replied that their system which had been applied at Washington had prevented, as regards capital ships and aircraft carriers, an armaments race between the big navies, and that a similar result could be obtained if such limitations were applied to other fleet units.

c) *Air armaments.* — Generally speaking, the Sub-Commission recognised that the technical features of civil planes were, with a slight difference, similar to those of military planes. There was, however, a difference of opinion regarding the question of limitation.

Without entering into the technical considerations put forward by the various delegations, it may be said that a certain number of them maintained that, in order to be efficient, any method applied must provide for the limitation of military and civil aviation as a whole. At the present stage a country desiring to increase its war air power, despite the limitation of its military aviation, could nevertheless succeed in its designs by developing its civil aviation beyond its normal requirements.

Other delegations asked that civil aviation should be left untouched as its purposes were purely economic. Any attempt to limit it would only hamper the development of commercial aviation.

d) *Limitation of expenditure.* — Certain delegations proposed that the national defence expenditure should be limited. They considered that by this means it might be possible to cover armaments which it was difficult to limit directly, in particular, certain classes of material. It would also be a means of controlling indirectly the execution of the limitation of armaments.

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Other delegations considered that expenditure did not constitute a real standard for measuring such armaments, and was not an equitable basis for their limitation. The reduction of expenditure would be the automatic result of a limitation of various kinds of armaments.

e) *Different kinds of armaments.* — Numerous delegations maintained definitely their standpoint as regards the necessity of limiting simultaneously land, sea and air armaments. They considered that owing to the interdependence of such armaments, it was impossible to deal with them in separate conferences or conventions.

Other delegations declared that, for practical reasons, it might be advisable to draw up separate conventions. They maintained that in any case it would be impossible to ask the Great Sea Powers to reduce their naval armaments unless such reduction were based on a reduction of the naval armaments of other countries, and not on the reduction of the land armaments of great military Powers.

f) *Supervision.* — The Sub-Commission was in general agreement on the question of general information as provided in Article 8 of the Covenant, and while admitting that it would be possible to complete and develop certain parts of the Military Year-book published by the Secretariat, particularly after the conclusion of a convention, it considered the publication of this year-book was a suitable means of conducting and developing the exchange of information.

Several delegations nevertheless considered that a more effective supervision would be necessary. A disarmament convention which did not provide for supervision would defeat its own end. Other delegations were of a contrary opinion, considering that a disarmament convention could only be based on international good faith. There were further differences of opinion regarding the possible methods of supervision.

Sub-Commission A also had to examine a kindred question raised for the first time in the Preparatory Commission by M. de Brouckère who had contemplated the possibility of investigations in the various countries in the event of complaints regarding the execution of the Convention. The procedure would be similar to that contemplated by Section XIII of the Peace Treaties concerning the statute of the International Labour Organisation.

Certain delegations were absolutely opposed to this procedure which in their opinion would be useless and would only give rise to international mistrust. Others were in favour of it, subject to the adoption of very definite measures of execution which would guarantee the technical efficacy of such enquiries.

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This summary description, which is of necessity incomplete, gives some idea of the difficulties encountered by the Preparatory Commission in drawing up a Disarmament Convention. But the work of the technicians had established clearly the points on which there were differences of opinion and in regard to which the Government delegates had to seek compromise. Their report further constituted an extremely complete repertory of all the military aspects of the problems, and provided the groundwork for an agreement on many of the technical aspects of the limitation of land, sea and air armaments.

2. REPORT OF THE JOINT COMMISSION.

The Preparatory Commission also considered a report of the Joint Commission.

The Joint Commission had examined, in the first place, whether the supervision of the application of the Disarma-

ment Convention would encounter difficulties from the economic point of view. It had rejected the word "control" as lending itself to very different interpretations and had worked out a procedure which would enable the application of a convention to be watched from the economic point of view. It recommended that a permanent statistical organisation should be set up to centralise and study the data relating to the application of the convention.

As regards the proposal of Mr. de Brouckère to insert in the future convention provisions similar to those contained in Articles 411 to 420 of the Treaty of Versailles (Statute of the International Labour Organisation), the Commission concluded as follows :

Despite the minor economic drawbacks which such clauses may have and despite the serious economic consequences which certain forms of procedure might involve in case of violation, the Commission once more expresses its conviction that the insertion of the proposed clauses can only serve to enhance the feeling of security, by reason of the stricter — because more closely supervised — application of the Convention.

The report of the Joint Commission also dealt with the following points : the conclusion of an agreement between the chemical industries of the different countries under the auspices of the States concerned which would enable the manufacture of poison gas to be rationed; the limitation of armaments by means of the budget limitation, in addition to the direct numerical limitation of effectives and materials; the influence of economic factors such as the population and various resources of the country, on its armaments and war strength.

3. OTHER TECHNICAL REPORTS.

The Commission also had reports from two Expert Committees. The Committee on Civil Aviation had examined the

economic consequences to civil aviation which might be entailed by the various systems of limitation of air armaments. It concluded that further development of civil aviation should not be hampered by any military consideration, adding that every effort should be directed towards differentiating more and more clearly between civil and military aviation. The Committee was in favour of the conclusion of economic agreements between civil aviation undertakings in the different countries.

Another Committee, that of the Experts on Budget Questions, drew up a report containing a model statement of national defence expenditure which, if adopted "would serve the purpose of publicity for which it was intended".

4. WORK OF THE PREPARATORY COMMISSION (THIRD SESSION).

— PREPARATION OF A DRAFT CONVENTION ON THE LIMITATION AND REDUCTION OF ARMAMENTS.

In the light of the work of its Sub-Committees and Technical Committees, the Preparatory Commission examined the draft conventions deposited by the British delegate, Lord Cecil, and the French delegate, M. Paul-Boncour, with a view to establishing a single text which might serve as a basis of discussion for an international conference.

a) *British draft.* — The first article of this draft laid down the general principle of an agreement for the limitation of land, sea and air armaments to the figures to be indicated in the tables annexed to the convention (1).

Article 2 contemplated a certain number of cases in which the convention would be suspended (war, rebellion, a serious emergency or the concurrence of the Council).

Articles 3 and 4 concerned budget expenditure. On this

(1) It would be left to the General Conference to indicate the figures.

subject, Lord Cecil when depositing this draft, spoke as follows :

All that we have so far found it possible to insert are two clauses showing that, in the first place, the parties to the convention shall communicate in the form of the model statement which one of our Sub-Committees is in the course of drawing up, an account of every proposed expenditure, and then at a later date, an account of the amount that they actually have expended. I think it is quite possible that some of my colleagues will wish to go further than that. All I can say is that there are grave practical difficulties in going further than that, but of course we should be most ready to take part in any discussion that may be raised on the point.

Thus, one of the first difficulties was raised, namely, budget limitation. For its solution, the British draft only contemplated measures of publicity.

The following three chapters dealt with land, sea, and air armaments.

Concerning land armaments, Lord Cecil said :

In the fifth article the broad general principle is stated that the limitation of land armaments should be in the main effected by limiting the number of effectives, and there follows a word of explanation that that means troops who can, within a period which is left blank, but a very short period, be used in the front line of the fight. In that matter I can quite conceive that there may be differences of opinion. The British Government have necessarily been guided to some extent by their own technical advisers, but this is a matter which I hope will be capable of arrangement without very much difficulty.

On this point, the British draft contemplated not only the limitation of effectives in service in times of peace, but also that of armaments prepared in view of war and immediately utilisable, thus adopting one of the arguments put for-

ward at the meeting of the Technical and Military Commission.

As regards Naval Armaments, Lord Cecil made the following comments :

Here we have simply adopted, provisionally at any rate, as we have had the matter discussed, the method of limitation by categories, the method that was no doubt adopted in the Washington agreement. I do not think I need elaborate it as it is very well known to anyone who has discussed the question, and I am myself satisfied that some such arrangement is almost essential for a large naval power, but it is possible that some other solution may be better for other powers. In any case, the one thing that seems to me vital so far as these articles are concerned, is that everyone shall know from the outset what they are to expect in the naval armaments of other countries.

In this respect the British draft accordingly recommended the system of limitation of tonnage by categories. It recognised eleven categories and limited in each of them the separate and total tonnage of ships, the number of ships and the calibre of the guns. It further limited the calibre of torpedoes employed by any kind of vessel.

As regards air armaments, the British draft contemplated the limitation of the number of shore-based aircraft of service types maintained in commission in first line combatant units, within the limits of each State party to the convention. "The point of view adopted (Lord Cecil said), is that for which the air representatives of the British Government contented in Sud-Commission A."

Lord Cecil laid special emphasis on Article 12 of the document. This article provided in certain circumstances for the investigation of facts which one of the contracting parties might bring to the notice of the other contracting parties, should it consider that one of the parties was maintaining

armaments in excess of the figures set out in the convention, or was in any other way violating the provisions of the convention. It was, nevertheless, provided that no investigation within the limits of the territory of any of the contracting parties should be made without its consent.

b) *The French Draft.* — This draft was more detailed than that of Lord Cecil. It included ten tables giving in detail the limitations to be effected by the conference.

Chapter I aimed at the limitation of land, sea and air effectives organised on a military basis.

M. Paul-Boncour said "In Chapter I, I stated a number of theses which might equally well be reproduced in all the other parts, that is that the limitations which an international convention may lay down can only be applicable to permanent peace armaments whether we are dealing with effectives, material or expenditure".

As regards mobilisation, the French draft recalled that the High Contracting Parties remained subject to the general obligations of the Covenant, and to the decisions of the Council. The Secretary-General of the League would be responsible for summoning the Council as quickly as possible.

"Mobilisation", said M. Paul-Boncour, — "it is the task of the League of Nations to make it futile by taking the decisions which it is its duty to take in time and with the necessary speed, with the necessary authority and without respect of Powers whether they be great or small."

The French draft also limited the period of service. The following chapters concerned the limitation of air material, naval material and expenditure.

The chapter concerning air material provided only for the limitation of material in service, as represented by the engine power of all kinds of aircraft, and the volume of dirigibles. There was, however, an article laying down that the limitations

contemplated should be accepted by each High Contracting Party in the light of the present development of civil aviation in other countries.

The article in the French draft also provided for the intervention of a permanent disarmament commission, should civil aviation in one or more of the contracting countries experience such a development as to constitute a possible danger to the security of some of the contracting parties.

The chapter concerning the limitation of naval material contains seven articles of which the first laid down that this limitation should bear on total tonnage.

Each of the Contracting Parties shall be free to distribute and allocate this total tonnage as may be best for the purposes of security and the defence of its national interests.

A maximum was fixed for the tonnage of vessels and the calibre of guns. It was provided that no war-vessel should be replaced before reaching a certain age-limit, and that in the assessment of total tonnage, account should be taken of depreciation due to age.

The limitation of expenditure was dealt with in Chapter V. The Contracting Parties were to undertake not to exceed a certain figure for their military budgets.

M. Paul-Boncour said :

In this respect as in others, limitation does not mean uniformity. A country which has a professional army will have to provide for greater expenditure in its budget in proportion to the effectives of its army than a country which has a conscript army; but, allowing for this, the limitation of budget expenditure is, in my opinion, one of the most important questions which the conference we are preparing will have to discuss.

Finally, the French draft contemplated the establishment of a permanent disarmament commission for the centralisa-

tion of all information supplied to the Secretary-General. This Commission would also be responsible for studying such progress as might be made in regard to the limitation and reduction of armaments. It would follow the annual budget statements supplied by the Contracting Parties and make periodical reports which would be published simultaneously with their despatch to the Council and the High Contracting Parties.

In certain specified cases, this Commission would be empowered to decide by a two-thirds majority that an enquiry should be made either on the basis of documents or on the spot.

c) *The draft Convention adopted at first reading.* — At a session which lasted from March 21st to April 26th, 1927, the Commission endeavoured to establish a text which might serve as a basis of discussion in the second reading. It did not succeed in establishing one single text. It was, however, possible to reach unanimity on a certain number of articles. The document finally established showed points on which unanimity was obtained as well as the reservations submitted by various delegations. Where it was not possible to establish a unanimous text the document gave the different proposals submitted.

Generally speaking, it was understood that the acceptance by each delegation at the first reading did not prejudice the attitude it might adopt at the second reading, and did not bind it in any way. Each delegation retains full freedom to reconsider at the second reading the suggestions and proposals put forward, and to submit further ones. The document established is, accordingly, a document for study presenting a complete and detailed basis for discussion.

It begins by a preamble which was not discussed in detail and contains British, French and German drafts.

The first chapter concerns effectives and contains a single

text for all seven articles, to three of which there are no reservations of principle. The first and most important provides that the High Contracting Parties shall limit the effectives in service in their armed forces or land, sea and air formations organised on a military basis and who may for that reason be immediately employed without having to be mobilised, to the effectives determined in the tables annexed to the Convention (1).

A certain number of reservations were made to this chapter. The most important concerns the non-limitation of reserves given military training. The Commission, nevertheless, did not present an alternative text.

Chapter II concerns material. In the first section, which concerns land armaments, a text of the French draft is given together with one deposited by Count Bernstorff, Chief of the German Delegation. This draft aims at the limitation to the figures fixed in the table of the maximum material in service and in stock.

In depositing this proposal, Count Bernstorff said :

Why is direct limitation so imperative? First, gentlemen, because each State must know the armaments in respect of material possessed by other States, which it must take into account in its estimates. Only in this way can it procure a basis on which to estimate the scale of its own material armaments. No one will question the fact that particulars relating only to expenditure will never afford an accurate idea of

(1) For land armaments, the following tables were given :

Table I. Maximum home forces.

Table II. Maximum overseas forces stationed in the home country.

Table III. Maximum of total forces stationed in the home country.

Table V. Maximum of the total forces of the High Contracting Parties.

Table VI. Maximum of the forces belonging to formations organised on a military basis stationed in the home country.

Table VII. Maximum of the forces belonging to formations organised on a military basis stationed in overseas territories.

the armaments in material of any country; in particular, it will afford no idea of the stocks of arms and ammunition existing when the Disarmament Convention comes into force.

Section 2 of the same Chapter concerns naval armaments. On this subject there were prolonged discussions, and three drafts were reserved for a second reading :

a) A British draft aiming at the limitation of the number and tonnage of all vessels by categories,

b) A French draft established "with a view to compromise" which was substituted for the original French draft "with a view to finding a formula for agreement", aiming at the limitation of total tonnage, but also at the division of the total tonnage stated by each Contracting Party into total tonnage by groups. These groups would apply to four classes, capital ships, aircraft carriers, service vessels under 10,000 tons and submarines. Each Contracting Party would undertake to fix a maximum tonnage for each of the categories during the period of validity of the convention. Nevertheless, within the limits of the total tonnage stated, each party could alter its division subject to informing the Secretariat of the League of Nations at least one year before laying down the portion of the tonnage to be transferred.

c) An Italian draft, aiming at the limitation of total tonnage, the parties remaining free to distribute and arrange their tonnage to the best advantage for their national interests, subject to communicating to the League Secretariat, at least six months before laying down the keel, the characteristics of each war vessel which it intended to construct.

Unanimous agreement was reached on seven other articles of this section.

Section 3 of the Chapter on material concerned air armaments. The first article provides for a limitation of air material based on the number of aeroplanes in service, and

their total horse-power. A unanimous text was adopted, certain delegations having confined themselves to submitting reservations in view of the second reading.

Another article, also adopted unanimously with three reservations, stipulates that the limitations stated are accepted by each Contracting Party in the light of the present development of civil aviation in other countries.

The whole section concerning air armaments was adopted in the first reading with a certain number of reservations. By its final article, the High Contracting Parties undertake to encourage, as far as possible, the conclusion of economic agreements between civil aviation undertakings in the different countries.

In this connection it may be mentioned that the recommendations of the Preparatory Commission as regards civil aviation were approved by the Assembly in 1927.

Chapter III deals with the annual budget expenditure.

It contains the article of the French draft and the observations of the delegations who were of a different opinion.

Chapter IV concerns chemical warfare and consists of a proposal from the Belgian, Polish, Serb-Croat-Slovene, Roumanian and Czechoslovak Delegations. The discussion of this proposal was adjourned to the second reading.

Chapter V contains miscellaneous provisions. Its first section only contains the French draft concerning the constitution of a permanent disarmament commission.

Section 2 concerns the exchange of information. The first article was adopted unanimously with some reservations, and concerns the yearly publication and despatch to the Secretariat of very complete tables concerning effectives. It is followed by a detailed Dutch proposal for the publication by each of the Contracting Parties of annual statements of the material of its land, naval and air forces.

This is followed by a certain number of articles adopted for a second reading, regarding the publicity of military, naval and air expenditure.

Sections 3 and 4 concern exceptions, and the procedure for complaints and revision. They give the texts of the British and French drafts.

The final section of the draft Convention (ratification, entry into force, denunciation) contains five articles for which the Commission submits a single text with a certain number of reservations.

These texts as a whole constitute the basis for the discussions of the Preparatory Commission in 1928. The Commission will endeavour to adopt a single text which will be forwarded to the Council so that, in the words of the Assembly, it may be able to convene as soon as possible a conference for the limitation and reduction of armaments, to which will be submitted a draft established by the Preparatory Commission.

CHAPTER X

The Three-Power Naval Conference. — Continuation of the League's Work. — Creation of the Arbitration and Security Committee.

Up to 1925 the League had endeavoured to reach a general solution for the problem of arbitration, security and reduction of armaments. From that moment it had suspended its enquiry in this direction, while noting at Council and Assembly meetings the statements of Governments which desired to place on record that this did not imply, on their part,

an abandonment of the principles to which they remained faithfully attached, and that it was only for political reasons that they had agreed to other methods.

Since 1925, in particular, since the conclusion of the Locarno Agreements, the League has no longer sought a general solution, but has encouraged solutions which one may call partial or local. Similarly, it has endeavoured to facilitate the application of the articles of the Covenant concerning the maintenance of peace.

It was to be expected that the League would be obliged to modify, complete and improve its programme. In the course of the work many difficulties were revealed. In 1926, the Assembly had asked that the conference for the reduction and limitation of armaments should be convened before September 1927, unless this was materially impossible. Certain members have since expressed their conviction that it has in fact proved materially impossible to summon the Conference so soon.

Complicated questions, generally of a political nature, arose in the course of the technical work undertaken by the League organisations. The question of security, in particular, preoccupied certain delegations.

Further the Three-Power Naval Conference (the British Empire, The United States, and Japan) which took place at Geneva in the summer of 1927 did not obtain the desired results. There were differences of opinion on several technical questions and it seemed possible that these might complicate the work of the Preparatory Commission in preparing a draft convention, and that the resumption of its work would have to be postponed for longer than had appeared necessary, so as to enable the Governments as far as possible to reconcile their different views.

Although, the Three-Power Naval Conference was not a League Conference, it is necessary for this reason to give a brief description of its results.

I. THE THREE-POWER NAVAL CONFERENCE,
GENEVA, JUNE-AUGUST, 1927.

This Conference was held on the invitation of President Coolidge, shortly after the meeting of the Preparatory Commission.

On February 10th, 1927, President Coolidge had asked the British, French, Italian and Japanese Governments whether they would be disposed to empower their representatives at the forthcoming meeting of the Preparatory Commission to initiate negotiations for an agreement on limitation in the classes of naval vessels not covered by the Washington Treaty. In his message to Congress, President Coolidge explained in a special memorandum that his Government had followed with close attention the proceedings of the Preparatory Commission, and had concluded after most careful deliberation, that it could helpfully make certain observations at this time which it hoped might contribute materially to the success of that Commission, a success earnestly desired by the Government and people of the United States. The discussions of the Commission, he added, had been most valuable in making clear the views of the various Governments as to the problems presented and in demonstrating the complexity and diversity of the obstacles to be overcome. The American Government thought that the conclusion of an agreement for further naval limitation, far from interfering with or detracting from the success of the Preparatory Commission, would constitute a valuable contribution to the achievements of that Commission, and would facilitate the task of the final conference.

The British and Japanese Governments accepted the invitation. The French Government sent an information mission, and the Italian Government an observer. The Conference sat at Geneva from June 20th to August 4th, 1927. At the suggestion of the British and Japanese Govern-

ments acting in agreement with the American Government, the Secretary-General of the League placed the premises of the League at the disposal of the Conference, and gave certain secretarial facilities.

The Conference found it impossible to reach a final agreement, and a joint statement read at the last plenary session explained this position :

These points of agreement relate particularly to the limitation of destroyers and submarines, and it was only when the Conference took up the question of the limitation of the cruiser class that difficulties were encountered. These difficulties proved to be of a character to render it desirable to adjourn the present negotiations until the respective Governments have had an opportunity to give further consideration to the problem and to the various methods which have been suggested for its solution.

The American delegation presented the view that, within total tonnage limitations, which they initially suggested should be between 250,000 and 300,000 tons in the cruiser class for the United States and the British Empire and between 150,000 and 180,000 tons for Japan, each of the Powers should have liberty to build the number and the type of vessel which they might consider best suited to their respective national needs, with freedom, subject to the limitation of the Washington Treaty, to arm these vessels as they saw fit.

The British delegates, whilst putting proposals tending to a limitation of the size of vessels of all classes, have opposed the principle of limitation by total tonnage alone on the ground that the largest ship and the heaviest gun permissible must inevitably become the standard. They desired, first, a strict limitation of the number of 10,000 ton 8 inch-gun cruisers, and secondly the establishment of a secondary type of cruiser of a maximum displacement of 6,000 tons, carrying guns of a maximum calibre of six inches. The British delegates contended that the establishment of this type would alone enable the British Empire, within a moderate figure of total

tonnage, to attain the numbers which it regards as indispensable to meet its special circumstances and its special needs.

The Japanese delegates presented the view that low total-tonnage levels should be fixed which would effect a real limitation of auxiliary naval vessels. As for the question of the 8-inch-gun cruisers, while the Japanese Government could not agree to any restriction as a matter of principle, they had no difficulty in declaring that, provided a tonnage level of 315,000 tons for auxiliary surface vessels were fixed for Japan, they would not build any further 8-inch-gun cruisers until 1936, except those already authorised in existing programmes.

At the end of their statement the three Powers expressed their conviction that the obstacles which had been encountered should not be considered as terminating the efforts towards a new limitation of naval armaments.

It was evident that the differences of opinion could not be reconciled before the meeting of the Assembly which took place a few weeks later, in September 1927, and that the discussions of the Naval Conference must have some influence on the work of the League.

2. WORK OF THE 1927 ASSEMBLY ON ARBITRATION, SECURITY AND REDUCTION OF ARMAMENTS.

These difficulties and the situation with regard to the preparatory work of the Conference were brought to the notice of the Assembly of 1927 which, while confirming the guiding principles enunciated by the Assemblies of 1925 and 1926, again defined the League's views on the problem and initiated practical measures designed to advance the work (1).

(1) In addition to the resolutions on reduction of armaments strictly speaking which are commented upon in this chapter, the Assembly adopted on September 24th

The Assembly received several proposals in this connection; one, submitted on behalf of the Netherlands delegation, by M. Beelaerts van Blokland, suggested that the Assembly should resume its study of the principles of disarmament, security and arbitration as embodied in the Covenant. Two others were deposited in the course of the session one by M. Paul Boncour, on behalf of the French delegation, the other by Count Bernstorff on behalf of the German delegation.

Dr. Nansen, on behalf of the Norwegian delegation, proposed that an international convention should be drawn up for the compulsory arbitration of disputes.

As regards arbitration and conciliation the report submitted by the First Committee of the Assembly indicates the following points for study, marking the unanimous desire of the Members of the League to enlarge the field of application of pacific procedure :

a) Means should be sought for encouraging and promoting the acceptance of the optional clause of Article 36 of the Statute of the Permanent Court of International Justice and the conclusion of special treaties for judicial settlement, arbitration and conciliation.

b) In any investigation into the methods of pacific settle-

on the proposal of the Polish delegation, the following declaration concerning wars of aggression :

The Assembly,

Recognising the solidarity which unites the community of nations;

Being inspired by a firm desire for the maintenance of general peace;

Being convinced that a war of aggression can never serve as a means of settling international disputes and is, in consequence, an international crime;

Considering that a solemn renunciation of all wars of aggression would tend to create an atmosphere of general confidence calculated to facilitate the progress of the work undertaken with a view to disarmament :

Declares :

(1) That all wars of aggression are, and shall always be, prohibited;

(2) That every pacific means must be employed to settle disputes, of every description, which may arise between States.

The Assembly declares that the States Members of the League are under an obligation to conform to these principles.

ment of disputes between States, special attention should be paid to the procedure of conciliation, which is of the utmost importance.

c) Very special attention should also be given to the question of the relations between the mediatory action of the Council and the Assembly and procedures of arbitration and conciliation.

d) In studying a general convention for compulsory arbitration enquiry should be made as to how the convention could be given sufficient flexibility to permit the contracting States to adjust the obligations assumed to their particular circumstances.

The Assembly was of opinion that the German, French, and Netherlands proposals supplemented one another and might be combined in a resolution expressing the general desire for the completion of the technical work on disarmament, while continuing the enquiry on security, so as to increase the chances of success of the future general Conference for the reduction and limitation of armaments. The first part of the resolution reads as follows :

(The Assembly.)

Being anxious to bring about the political conditions calculated to assure the success of the work of disarmament;

Being convinced that the principal condition of this success is that every State should be sure of not having to provide unaided for its security by means of its own armaments and should be able to rely also on the organised collective action of the League of Nations;

Affirming that such action should aim chiefly at forestalling or arresting any resort to war and if need be at effectively protecting any State victim of an aggression;

Being convinced that the burdens which may thereby be imposed on the different States will be the more readily accepted by them in proportion as ;

(a) They are shared in practice by a greater number of States;

(b) The individual obligations of States have been more clearly defined and limited :

1. Recommends the progressive extension of arbitration by means of special or collective agreements, including agreements between States Members and non-Members of the League of Nations, so as to extend to all countries the mutual confidence essential to the complete success of the Conference on the Limitation and Reduction of Armaments;

2. Recalls its resolution of September 24th, 1926, which read as follows :

Being desirous that the investigations, in regard to which the Assembly itself took the initiative in its resolution of September 25th, 1925, should be brought to a successful conclusion as soon as possible, it requests the Council to call upon the Preparatory Commission to take steps to hasten the completion of the technical work and thus be able to draw up, at the beginning of next year, the programme for a Conference on the Limitation and Reduction of Armaments corresponding to existing conditions in regard to regional and general security, and it asks the Council to convene this Conference before the eighth ordinary session of the Assembly, unless material difficulties render this impossible.

The Rapporteur, M. de Brouckère, emphasised the desire of the Assembly that a Disarmament Conference should be convened as soon as possible, and that conditions of security should be improved so that the first step might be as large as possible :

" All the delegations, " he said, " were agreed that the work of disarmament should be prosecuted with the utmost energy, and urged that a further effort should be made to reach a conclusion without delay. At the same time all realised that the proposed movement along the road to disarmament would only be the first step and must be followed by others before any real disarmament could be achieved. It was recognised

on all hands that the greater the improvement in conditions of security and the more decided the nature of the first step, the sooner the subsequent steps would be taken. It was therefore felt that to reach definite solutions as quickly as possible, the study of the questions arbitration and security should be resumed on systematic lines.

On this occasion M. de Brouckère noted the continuity of the Assembly's directive.

From the time when the problem of disarmament had first been approached by the League, those dealing with it had been struck by the close connection between that problem and the problem of arbitration and security. In spite of the progress made in arbitration and in spite of the advance made in security, the connection still existed, and it had grown steadily more apparent that, as arbitration expanded, security would increase, and with it the possibility of hastening disarmament. Nevertheless, if some progress had been made in arbitration, and even in security, the first step towards disarmament was still in the trial stage. The will to take this step had been shown frequently. The resolution reaffirmed that wish.

In the text submitted by the Sub-Committee would be found a reference to the resolution of September 24th, 1926, which had been prompted by the belief that from Locarno would result the beginning of security in Europe, and that consequently it was necessary to make a start with disarmament. The text submitted by the Sub-Committee embodied the same principle.

The rapporteur also emphasised the necessity of careful technical preparation if the Conference were to meet with any chance of success.

The resolution of last year stated that the disarmament Conference should be convened when the preparatory and technical work had been terminated. It was to be hoped that the present Assembly was still of the same mind. The Sub-

Committee was, in any case, of the same mind. It was useless to convene the disarmament Conference while the technical work was still unfinished. That work had been laborious. It would be resumed and followed up until achieved, and it must be pushed forward as rapidly as possible.

3. CREATION OF THE COMMITTEE ON ARBITRATION AND SECURITY — ESTABLISHMENT OF ITS PROGRAMME.

The second part of the Assembly resolution provided for the constitution of an arbitration and security committee to seek a practical solution for this problem within the framework of the League. This Committee was to be an organ of the Preparatory Commission, and its general programme was described in the Assembly resolution :

The Assembly requests the Council to give the Preparatory Commission, whose task will not be confined to the preparation of an initial Conference on the limitation and reduction of armaments, and whose work must continue until the final goal has been achieved, the necessary instructions for the creation without delay of a Committee consisting of representatives of all the States which have seats on the Commission and are Members of the League of Nations, other States represented on the Commission being invited to sit on it if they so desire.

This Committee would be placed at the Commission's disposal and its duty would be to consider, on the lines indicated by the Commission, the measures capable of giving all States the guarantees of arbitration and security necessary to enable them to fix the level of their armaments at the lowest possible figures in an international disarmament agreement.

The Assembly considers that these measures should be sought :

In action by the League of Nations with a view to promoting, generalising, and co-ordinating special or collective agreements on arbitration and security;

In the systematic preparation of the machinery to be employed by the organs of the League of Nations with a view to enabling the Members of the League to perform their obligations under the various articles of the Covenant;

In agreements which the States Members of the League may conclude among themselves, irrespective of their obligations under the Covenant, with a view to making their commitments proportionate to the degree of solidarity of a geographical or other nature existing between them and other States;

And, further, in an invitation from the Council to the several States to inform it of the measures which they would be prepared to take; irrespective of their obligations under the Covenant, to support the Council's decisions or recommendations in the event of a conflict breaking out in a given region, each State indicating that, in a particular case, either all its forces, or a certain part of its military, naval or air forces, could forthwith intervene in the conflict to support the Council's decisions or recommendations.

Explaining this part of the resolution, M. de Brouckère said :

It had been enquired whether, side by side with a Committee working in the interval between sessions on the task of ensuring disarmament, it would not be useful to form a Committee to study the question of security. It was obvious that such studies for ensuring real security would be extremely complex and very technical, and they could be brought to a successful conclusion only by a continuous effort. It had been realised that neither the work of the Preparatory Commission nor that of the Committee for Security — if it might thus be called — would have any real practical result unless it was carried on simultaneously. Experience had shown that in the course of the preparatory work problems of security arose at every moment.

The Preparatory Commission must be in a position to obtain explanations, and M. de Brouckère considered that,

once the Committee on Security had been constituted, it should be acquainted with the studies of the other Commission in order to be able to work satisfactorily. A close liaison was therefore indispensable, and it was in order to secure such liaison that it had been proposed to establish not only a moral tie, resulting from the closeness of the goals sought by the two bodies, but also an organic bond, in order that the Security Committee might be at the disposal of the Preparatory Commission on Disarmament in carrying out the enquiries undertaken.

The Rapporteur also pointed out that each of the articles of the Covenant contained resources of which full use had not yet been made, and that important results might be obtained by studying them. As regards the paragraph of the programme concerning special agreements between members of the League, the report contained the following passage :

The agreements are not in any way to be confused with such alliances as it was possible for countries to contract for political purposes of one kind or another before the Covenant of the League established general principles and obligations which introduced a measured harmony into international life. The agreements referred to in the resolution are to be regarded as means for enabling States which wish to enter into closer mutual engagements than are provided by the Covenant to help each other to discharge more effectively, so far as they are concerned, the obligations embodied in the Covenant itself. These agreements, therefore, are to be regarded simply as instruments for applying the principles of the League more effectively in specific regions.

The final paragraph of the programme of the Arbitration and Security Committee concerned the military, naval or air forces that States might contribute to support the Council's decisions. The report gave the following explanations.

There is no question of asking the Council to send to States Members of the League a questionnaire regarding their inten-

tion in all imaginable cases. The idea which the Commission wished to express is that the Committee which it has suggested should be set up should be instructed to study the form in which the Council should ask the different States to inform it what measures they would be prepared to take to support its recommendations or decisions in certain cases which the said States might indicate. It is understood that States will have all possible liberty to reply in such manner as they think best to these enquiries by the Council.

The object thus sought is to render it easier for individual States, at the disarmament Conference, to fix the lowest possible figure for their armaments, by enabling them to graduate them in proportion to the guarantee of security afforded by the assistance on which in certain circumstances they might be able to rely.

4. FOURTH SESSION OF THE PREPARATORY COMMISSION. FIRST SESSION OF THE ARBITRATION AND SECURITY COMMITTEE

The Preparatory Commission constituted the Arbitration and Security Committee during its fourth session which took place at the end of November 1927.

The creation of this Committee was the principal item on its agenda, the continuation of its technical work (the preparation of a draft convention) having been postponed till its fifth session. Nevertheless, during the short debate on the progress of the work, the delegate of the Union of Socialist Soviet Republics, who attended for the first time, read a statement on behalf of his Government, depositing a proposal which set forth a series of measures with a view to complete and universal disarmament within four years at the latest. He added that his delegation would be willing to take part in all discussions in so far as they concerned practical measures, and that it would be prepared to sign a convention on the prohibition of the use of chemical and bacteriological weapons.

After a short discussion, the Commission, with the agree-

ment of the Russian delegate, decided that the examination of this proposal should be postponed to its fifth session when the second reading of the draft convention would take place.

It then proceeded to the constitution of the Arbitration and Security Committee.

All States Members of the League represented on the Preparatory Commission are represented on the Arbitration and Security Committee. The delegate of the Union of Socialist Soviet Republics sits as an observer.

The United States representative, recalled the statements made by former American representatives, explaining the historic attitude of his country towards the political problems of Europe; that attitude was simple and consisted in its determination to leave to European States those matters which were peculiarly their own concern.

He emphasised his Government's intention and desire to continue to participate in the labours of the Preparatory Commission, and stated that when the Arbitration and Security Committee submitted its recommendations to that Commission, his Government would be glad, in the light of its traditional historic policy, to take these recommendations into careful consideration.

Once constituted, the Committee met and elected as Chairman Dr. Benes (Czechoslovakia). At its first meeting it confined itself to examining the programme drawn up by the Assembly and appointing three rapporteurs, M. Holsti (Finland) for questions of arbitration and conciliation; M. Politis (Greece) for security agreements, and Mr. Rutgers (Netherlands) for the study of articles of the Covenant. These rapporteurs received detailed instructions regarding the reports which they were called upon to submit.

a) On arbitration the Committee adopted the following main outlines :

Treaties of Arbitration.

1. Measures for their promotion.

Resolution of the 1926 Assembly; Recommendations to States Members and offer of the Council's good offices.

2. Suitable means of co-ordination and generalisation.

Two methods may be indicated :

(1) An analytical study of existing treaties for the purpose of extracting the substance common to all of them on which a model convention might be based;

(2) A study of the draft optional convention for the obligatory arbitration of disputes, submitted to the Third Committee by Dr. Nansen on behalf of the Norwegian delegation, taking into account the following recommendations of the First Committee of the Assembly.

b) For security agreements the work of the rapporteur was to be based on successive resolutions of the Assembly and on the experience gained in the course of numerous discussions bearing on the subject of special treaties. The object of this work was to seek means of encouraging and coordinating security agreements; to study in what way the Council might offer its good offices to the parties concerned for the conclusion of such agreements, and how existing security treaties might afford the Council means of action when called upon to apply articles 10, 11 16 and 17 of the Covenant; finally, to define the agreements which the States Members of the League might conclude among themselves, without prejudice to their obligations under the Covenant, to arrange in advance commitments they would be disposed to accept, taking account of the degree of solidarity, geographical or otherwise, existing between them and other States.

The rapporteur will also study the procedure to be followed by the Council to give effect to the last paragraph of the Assembly resolution concerning measures which States would be prepared to take to support the Council's decisions

or recommendations in the event of a conflict breaking out in a given region.

For the study of these questions, the Committee disposes of considerable material collected by the Secretary-General on the following points :

1) The legal position resulting from the application in peace time of measures of economic pressure contemplated in Article 16, in particular the maritime blockade.

2) Legislation to facilitate the enforcement of economic sanctions (on this subject a questionnaire has been sent to Governments).

3) Information on the economic and financial relations of States.

PART 2

SPECIAL QUESTIONS

CHAPTER I

1. The St. Germain Convention of 1919.

Article 23 (*a*), of the Covenant entrusts the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest.

At the time of the Peace Conference, it seemed indispensable to exercise supervision over large quantities of arms and munitions of war, the dispersal of which would have constituted a danger to peace and public order.

The delegations to the Peace Conference had also expressed the view that the treaties and conventions, and particularly the Brussels Act of July 2nd, 1890, regulating the traffic in arms and ammunition in certain regions, no longer met existing conditions, which required more elaborate provisions applicable to a wider area in Africa, and the establishment of a corresponding regime in certain territories in Asia.

This question was dealt with in the Convention signed at St. Germain-en-Laye, on September 10th, 1919. The Convention contained twenty-six articles divided into five chapters. The first chapter embodied a general prohibition of the export of arms of war and only provided for certain exceptions to be granted by the Contracting Parties

as regards export licenses to meet the requirements of their Governments or those of the Government of any of the High Contracting Parties.

A central international office, placed under the control of the League of Nations was to be established for the purpose of collecting and preserving documents of all kinds, with regard to the trade in an distribution of arms and munitions.

The other chapters dealt with the so-called prohibited zones under maritime supervision which included certain African and Asiatic territories.

2. FAILURE OF THE ST. GERMAIN CONVENTION.

The problem of the trade in arms was brought before the League not only by Article 23 of the Covenant, but also in the course of its studies made in virtue of Article 8 of the Covenant on the private manufacture of war material.

The Temporary Mixed Commission had, in 1921, expressed the opinion that one of the essential factors in an agreement dealing with private manufacture was the supervision of the international trade. It had asked the Assembly to do all in its power to bring about the general ratification of the St. Germain Convention. This Convention could only have its full effect if ratified by all powers and especially by those with a highly developed arms and munitions industry.

An enquiry made by the Secretary-General on this subject showed that there was little chance of getting the Convention brought into force. Only eleven States had ratified it. Several important industrial powers had made their ratification conditional on that of all the signatories. The United States of America in reply to a note of the Secretary-General, had stated that "while the Government of the United States was in cordial sympathy with efforts to restrict traffic in arms and munitions of war, it found itself unable to approve

the provisions of the Convention and to give any assurance of its ratification."

The work done at the Peace Conference had therefore to be resumed on a fresh basis. It was clear that to gain the adhesion of the United States of America, it would be necessary to establish a system of supervision which would enable that country to cooperate, without binding it as regards the League to obligations similar to those contained in the St. Germain Convention.

3. PREPARATION OF A NEW CONVENTION.

In 1923 the Fourth Assembly asked the Council to invite the Temporary Mixed Commission to prepare a draft convention to replace that of St. Germain. It recommended the Council to invite the United States Government to appoint representatives to cooperate in this task. The United States Government accepted the invitation and appointed its Minister at Berne, Mr. Grew, to take part in the discussions of the Commission.

The draft convention was completed in the course of 1923 and 1924. It constituted the principal work of the Temporary Mixed Commission during that period, its other studies having been interrupted pending the replies of Governments to the Draft Treaty of Mutual Assistance, which had been forwarded to them by the Assembly of 1923.

The Commission had two preliminary drafts for consideration; one submitted by the Marquis de Magaz (Spain), the other by M. Jouhaux, on behalf of the Labour Group of the Commission.

The feature of the Jouhaux draft was the extremely strict supervision which the League would have exercised over the arms trade by a system of export and import licenses delivered by the Governments concerned and centralised and checked by the League of Nations. The other draft

was more in keeping with the St. Germain Convention, but at the same time took account of the principal objections of the United States Government.

A classification of the arms and munitions to be dealt with in the convention was drawn up by the Permanent Advisory Commission. It divided them into the three following classes : a) Arms and munitions exclusively designed for land, sea, or air warfare whatever their mode of employment; b) Arms and munitions capable of use both for military and other purposes; c) arms and munitions having no military value. It also established a definition of war material and examined the articles of the draft convention from a technical point of view, in particular, those concerning the prohibited zones and supervision.

The final text was established in 1924. The Temporary Mixed Commission had retained numerous suggestions made by the authors of the preliminary drafts including for example, the system of licenses. International control by the League was replaced by a simple system of publicity entrusted to an international central office set up by the Council. It was not specified whether this organisation should be set up within the framework of the League, this question having been left open so as to meet the objections of the United States.

The draft was forwarded to the Assembly and the Council, and by the latter communicated to all Governments. The Council then summoned an international conference which met at Geneva on May 4th, 1925, under the presidency of M. Carton de Wiart, former Prime Minister of Belgium.

4. CONFERENCE FOR THE SUPERVISION OF THE ARMS TRADE.

Forty-four countries accepted invitations to this conference. Among them were Germany, who was not yet a

member of the League, Egypt, the United States, and Turkey. Argentine representatives sat as observers.

In his opening speech the President recalled that the object of the draft prepared by the Temporary Mixed Commission was to restrict purchases of war material to those made by Governments, and to give publicity to the international movement of war material.

a) *Solution of the principal difficulties.* — The principal difficulties dealt with in the discussions were the definition of war material, the categories to come under the system of export licenses and publicity (in particular the question of war vessels), the unification of nomenclature for import and export statistics, the definition of bodies entitled to purchase war material, questions concerning supervision and publicity, geographical and technical problems concerning the prohibited zones.

On all these points, the conference reached unanimous agreement, and the conclusion of the convention was described by the President as marking an important progress in the work for the reduction of armaments. For the first time, he, said "the question of the arms trade has been removed from the domain of private law and brought within that of public international law".

The controversy on international control was settled by the adoption of detailed provisions concerning export licenses and a system of publicity considered as a preparation for a general system of armaments publicity. The suggestion concerning the constitution of a central international office was rejected.

The prohibited zones contemplated by the St. Germain Convention were modified in the light of existing circumstances. Thus Egypt, Abyssinia, Tunis, the Spanish settlements of Northern Africa, Southern Rhodesia and the mandated territory of South-West Africa were not included in

the African prohibited zone. (In the St. Germain Convention, the only territories excluded from this zone were Algeria, Libya, and the South African Union). In Asia, there was also a slight modification of the prohibited zone, Persia and Turkey being no longer included..

The Persian delegation withdrew from the Conference, being unable to agree to the inclusion of the Persian Gulf and the Gulf of Oman in the special maritime zones.‡

Reservations made by the States bordering on Russia were accepted until such time as that country might accede to the convention.

b) *Connection between the supervision of the arms trade and the private manufacture.* — During the Conference, a question arose in regard to which the League was called upon to make further enquiry.

While studying the question of private manufacture, the League organisations had noted that it was closely connected with that of the supervision of the trade. This interdependence appeared still more clearly during the Conference of 1925, the non-producing States drawing attention to the fact that the supervision of the trade would place them at a disadvantage in relation to the manufacturing countries; the latter would not be reached by publicity, whereas by the agency of the League, the armaments of non-producing countries would be disclosed. Accordingly a clause was inserted in the Final Act of the Conference to the effect that the Governments of the signatories "intend to apply strictly their internal laws and regulations to prevent fraudulent commerce in arms, and to exchange all information on the subject; they declare further that the Convention must be considered as an important step towards a general system of international agreements regarding arms and ammunition and implements of war, and that it is desirable that the international aspect of the manufacture of such

arms, ammunition and implements of war should receive early consideration by the different Governments”.

c) *Results of the Conference — Analysis of the Convention.*
— The Conference concluded its work on June 17th. In addition to the convention, it drew up a protocol relating to chemical warfare, declaration relating to the Spanish territory of Ifni in North Africa, a protocol of signature, and a Final Act.

The Convention comprises 41 articles and is divided into five chapters. Its object is to establish a general system of supervision and publicity for the international trade in arms, munitions and implements of war and a special system for areas where measures of this kind are generally recognised as particularly necessary.

Chapter I defines the arms, munitions and implements to which the convention applies. They are divided into five categories :

CATEGORY I.

Arms, Ammunition and Implements of War exclusively designed and intended for Land, Sea or Aerial Warfare

A. — Arms, ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are or shall be comprised in the armament of the armed forces of any State, or which, if they have been, but are no longer comprised in such armament, are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered by other Categories.

Such arms, ammunition and implements are comprised in the following twelve headings :

1. Rifles, muskets, carbines.
2. (a) Machine-guns, automatic rifles and machine-pistols of all calibres;

- (b) Mountings for machine-guns;
- (c) Interrupter gears.
- 3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above.
- 4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus.
- 5. (a) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15 cm.);
(b) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above;
(c) Mortars of all kinds;
(d) Gun carriages, mountings, recuperators, accessories for mountings.
- 6. Projectiles and ammunition for the arms enumerated in No. 5 above.
- 7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles.
- 8. (a) Grenades;
(b) Bombs;
(c) Land mines, submarine mines, fixed or floating, depth charges;
(d) Torpedoes.
- 9. Appliances for use with the above arms and apparatus.
- 10. Bayonets.
- 11. Tanks and armoured cars.
- 12. Arms and ammunition not specified in the above enumeration.

B. — Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare part.

CATEGORY II.

Arms and Ammunition capable of use both for Military and other purposes.

- A. — 1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed

for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm. and length of barrel greater than 10 cm.

2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges that can be fired from fire-arms in Category I; other rifled fire-arms firing from the shoulder, of a calibre of 6 mm. or above, not included in Category I, with the exception of rifled fire-arms with a "break-down" action.
3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I.
4. Swords and lances.

B. — Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

CATEGORY III.

Vessels of War and their Armament.

1. Vessels of war of all kinds.
2. Arms, ammunition and implements of war mounted on board vessels of war and forming part of their normal armament.

CATEGORY IV.

1. Aircraft, assembled or dismantled.
2. Aircraft engines.

CATEGORY V.

1. Gunpowder and explosives, except common black gunpowder.

2. Arms and ammunition other than those covered by Categories I and II, such as pistols and revolvers of all models, rifled weapons with a "break-down" action, other rifled fire-arms of a calibre of less than 6 mm. designed for firing from the shoulder, smooth-bore shot-guns, guns with more than one barrel of which at least one barrel is smooth-bore, fire-arms firing rimfire ammunition, muzzle-loading fire-arms.

Chapter II lays down that Governments only shall have the right to export or import arms of the first category (exclusive war utility). Exceptions are contemplated in the case of manufacturers of war material and duly authorised rifle clubs or similar associations. Consignments for export must be accompanied by a license or declaration of the importing Government. Arms of the second category (possible war utility) may also only be exported under cover of export documents.

As regards the foreign trade in the first and second categories, the Convention provides for publicity, in the form of the regular publication of statistical returns within two months of the close of each quarter. The trade in arms of the third and fourth categories, *i. e.* warships and aircraft, is subject to publicity regulations only. The trade in arms of the fifth category is free.

Chapter III defines the system to be applied to certain areas referred to as *Special Zones*. These comprise :

- a) A land zone consisting of the African Continent, with the exception of Egypt, Libya, Tunisia, Algeria, the Spanish possessions in North Africa, Abyssinia and the Union of South Africa, together with the territory under its mandate, and of Southern Rhodesia. This zone includes the adjacent islands situated within 100 marine miles from the coast, Prince's Island in the Bight of Biafra, St. Thomas, Annobon and Socotra, but not the Spanish islands north of 26° north

latitude; it includes further the Arabian peninsular, Gwadar, Syria, Lebanon, Palestine, Transjordanian and Iraq;

b) A maritime zone, including the Red Sea, the Gulf of Aden, the Persian Gulf, and the Gulf of Oman, bounded by a line drawn from and following the latitude of Cape Guardafui to the point intersection with longitude 57° east of Greenwich and proceeding thence direct to the point at which the eastern frontier of Gwadar meets the sea.

To these zones the export of all arms save those of the third category (warships) is forbidden except under certain conditions. It may be authorised, if the High Contracting Party exercising sovereignty, jurisdiction, protection, or tutelage over the territory to which the export is consigned is willing to admit the articles in question and if these articles are intended for lawful purposes.

Chapter IV contains three provisions of a special nature. The first relates to Abyssinia, whose Government has expressed its willingness to put into force in its territory measures designed to give effect to the provisions of Chapter III; the second relates to the reservations which a certain number of countries bordering on Russia may wish to make in order to adapt the general principles of the Convention to the special position in which they might be placed owing to the non-adhesion of Russia; the third provides for the case of countries possessing extra-territorial jurisdiction in the territory of another State.

Chapter V is confined to general provisions. It lays down that the Convention shall not apply to arms forwarded to the military forces of the exporting country, wherever these forces may be, or to those carried by the individual members of such forces or by other persons in the service of the exporter. It is also provided that, in time of war, the stipulations of Chapter II (supervision and publicity) so far as any consignment of arms to, or on behalf of, a

belligerent is concerned, shall be suspended until the restoration of peace.

All provisions of international conventions prior to the present one shall be considered as abrogated in so far as they relate to the matter dealt with therein. The Convention shall not, however, be deemed to affect rights and obligations arising out of the Covenant of the League of Nations, the treaties of peace signed in 1919 and 1920, the Washington Treaty of February 6th, 1922, and other treaties and engagements concerning the prohibition of export, import² or transit of arms

Disputes arising between the Contracting Parties as to the interpretation or application of the Convention shall, if they cannot be settled by direct negotiation, be referred for decision to the Permanent Court of International Justice. Should the parties to the dispute not be signatories of the Statute of the Permanent Court, the dispute shall be referred either to the Permanent Court or to a court of arbitration constituted in accordance with the Hague Convention of 1907, or to some other arbitral tribunal.

The Convention will come into force after ratification by fourteen Powers. Ratification and subsequent accessions will be notified to the French Government.

Up to the present the Convention has been signed by thirty-four States, but has only been ratified by France, China and Venezuela. This delay is attributed to the fact that States are awaiting the work contemplated in the Final Act with regard to the international aspect of the manufacture of arms, munitions and war material.

CHAPTER II

Private Manufacture of Arms and Munitions.

Paragraph 5 of Article 8 of the Covenant notes "that the manufacture by private enterprise of munitions and implements of war is open to grave objections". The Council is invited to advise "how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those members of the League which are not able to manufacture the munitions and implements of war necessary for their safety".

I. FIRST ENQUIRIES OF THE TEMPORARY MIXED COMMISSION. PROHIBITION OR REGULATION

In 1920 the First Assembly invited the Council to have the question of private manufacture studied by its competent commissions.

Two methods were submitted to the Temporary Mixed Commission, one, supported by the labour members of the Governing Body of the International Labour Office, aiming at the absolute prohibition of private manufacture, the other contemplating the control of private manufacture.

The Commission considered that the first method should be rejected as contrary to the interests of States which did not produce all the material they required.

It then drew up and submitted to the Assembly the list of the objections and proposed certain measures as likely to render control more effective, namely :

- 1) The prohibition of all export of arms without a special license from the Government of the exporting country;
- 2) The prohibition of all import of arms without a licence from the Government of the importing country;

- 3) Such licenses to be published by the League of Nations;
- 4) No munitions or implements of war to be manufactured without a Government licence, and, possibly, that such licences should be published by the League of Nations;
- 5) Conversion of bearer shares of armament firms to nominal shares;
- 6) Armament firms to publish, at stated intervals, complete reports on their financial situation, and any contracts entered into by them;
- 7) An audit of the accounts of private armament firms;
- 8) No person interested in an armament firm to be permitted to hold stock in similar in other countries;
- 9) Such persons not to be permitted to publish, or hold stock in companies publishing newspapers;
- 10) Non-nationals to be prohibited from holding stock in private armament firms;
- 11) No patent relating to munitions or implements of war to be issued to non-nationals;
- 12) No warship to be transferred from one flag to another without notice being given to the League of Nations.

2. PREPARATION OF A CONVENTION BY THE TEMPORARY MIXED COMMISSION.

The Temporary Mixed Commission made the necessary arrangements to comply with the instructions of the Assembly to prepare a draft international convention on private manufacture. It received for discussion a draft treaty prepared by a member of the League Economic Committee, Sir Hubert Llewellyn Smith, and a more complete scheme in the form of a convention which was submitted by one of its members, Colonel Carnegie (Canadian). A convention drafted by a sub-Committee which met in Prague in 1924, was subsequently adopted by the Commission.

The minority of the members of the Commission, composed principally of the labour members, urged that the international control of private manufacture should be strongly organised; but in order to make a agreement possible, they did not press for entire prohibition.

The Commission did not endorse this opinion, but established principles designed to serve as a basis for a convention providing for the national control of private manufacture by a system of licences and for the official publication by the Government concerned of information concerning the licences.

The minority drew up a report observing that in their opinion the text of the Commission was inadequate on the following points :

The international character of control, and the rôle of the Council of the League of Nations in the matter :

Control of the accounts of undertakings for the manufacture of arms and munitions;

Measures calculated to prevent owners, directors or higher officials of private enterprises for the manufacture of arms exercising undue influence over organs of public opinion and in particular over newspapers;

Measures calculated to prevent the establishment of international rings consisting of firms concerned in the manufacture of arms;

Measures to ensure uniform methods in regard to the national inspection of enterprises for the manufacture of arms and munitions and steps to coordinate such efforts by international arrangement(1).

(1) The report was signed by the three labour members, MM. Jouhaux, Oudegeest and Thorberg, and a Roumanian member of the Commission, M. Jancovici.

3. POSITION OF NON-PRODUCING COUNTRIES.

Before giving instructions for the final drafting of the Convention, the Assembly and the Council thought that it was absolutely necessary to await the results of the Conference of 1925 on the supervision of the Arms Trade.

At this Conference, as already noted, the non-producing countries pressed for a system of control of private manufacture which, from the point of view of armaments publicity, would place them on an equal footing with producing countries, and a clause was accordingly inserted in the Final Act to the effect that the international aspect of the manufacture of arms, munitions and implements of war should be examined by Governments as soon as possible.

4. ESTABLISHMENT OF A DRAFT CONVENTION.

In these circumstances the Council Committee was instructed to prepare a draft international convention on the private manufacture of arms, and thus to resume the work of the Temporary Mixed Commission. This Committee consulted the different Governments, and in 1926 a draft convention was prepared by three of its rapporteurs. The principal difficulties which had to be solved were the following :

a) *Question of State manufacture.* — A certain number of countries asked that the supervision should bear not only on private manufacture, but also on State manufacture.

b) *National or international supervision.* — Certain Governments were in favour of a national system of supervision; others asked that an international body should be appointed to compile and published information received from the various countries.

The Council Committee endeavoured to solve these diffi-

culties by confining the control to manufacture taking place in establishments of which the State is not the sole proprietor, but extending the publicity to all manufacture whether by private or State enterprise. It hoped in this way to overcome the conflict between the principle of national control and the principle of international control by the system of publicity. It considered that such publicity was in the spirit of the last paragraph of Article 8 of the Covenant which provides that members of the League shall interchange full and frank information as to the scale of their armaments, their military, naval and air programmes, and the condition of such of their industries as are adaptable to warlike purposes.

5. CONNECTION WITH THE GENERAL DISARMAMENT PROBLEM.

At the 1926 Assembly various delegations drew attention to the close connection between the supervision of private manufacture and of the arms trade on the one hand and the general problem of the reduction of armaments, on the other—a connection which had already been noted by the Council. The Assembly felt that the work on private manufacture, if resulting in a convention, would be a valuable contribution to the preliminary work for the conference on the reduction of armaments.

The Council, accordingly, set up a special commission of all its members and invited the Union of Soviet Socialist Republics and the United States of America to send representatives. The latter accepted and recalled the main lines of their argument which had already been stated by Senator Burton their delegate to the May Conference :

1. The United States Government has for many years collected and published statistics covering the production in this country of arms and ammunitions;

2. The United States would be willing to enter into a suitable

international agreement providing for the publication of such statistics by the governments parties thereto, and

3. Such an agreement to be effective should cover the manufacture of arms and ammunition in both private and government factories. The American Government believed that the principles enunciated would provide a sound basis for an international convention.

The work on the subject is still being pursued, the Assembly of 1927 having requested the Commission to proceed on parallel lines to the Preparatory Commission for the Disarmament Conference.

6. THE DRAFT CONVENTION.

Before the Assembly met the Commission had already prepared a draft convention with alternative texts. The main difficulty which still remains to be solved is whether the convention shall apply merely to private manufacture or shall include State manufacture. The Commission was not able to reconcile the various points of view of Governments on the subject, and has not considered itself authorised to make a choice. Nevertheless, the draft, established with sixteen articles and a model statistical statement as annex, gives alternative texts only for the preamble and three articles. The arms categories are the same as in the convention for the supervision of the arms traffic.

The High Contracting Parties undertake not to permit in the territory under their jurisdiction the private manufacture of articles included in the first four articles without the written authorisation of the Government.

The signatories undertake to forward to the Secretary-General or publish within six months after the close of each half-year (June 30th and December 31st) the list of the licences granted during that half-year together with :

a) the kind or kinds of war material which the holder of the licence is allowed to manufacture;

b) the name and address of the registered enterprise or principal seat of the holders of a licence.

The Contracting Parties further undertake to forward to the Secretary-General or publish all statutes, regulations or orders in force within their territory dealing with the manufacture of war material, covered by Article 1. All provisions concerning the application of the convention will be published or forwarded to the Secretary-General.

There are various other provisions concerning publicity upon which unanimous agreement was not reached. The same observation applies to provisions concerning category 3 of war armaments (War vessels).

CHAPTER III

Chemical Warfare.

The question of chemical warfare has engaged the attention of the League of Nations since the beginning. Although during the war this weapon was invariably considered as contrary to the law of nations, it was nevertheless generally employed and intensified.

The problem was complicated by the fact that the substances used may easily be furnished by factories producing in peace time chemical materials for industrial purposes.

The League has aimed at publicity on the danger and horrors of chemical warfare, at obtaining from its members an engagement not to resort to this form of war, and at dealing with the problem as a whole at the eventual conference for the limitation and reduction of armaments.

I. PUBLICITY AGAINST CHEMICAL WARFARE.

The question of the use of poison gases in wartime was first put to the Permanent Advisory Commission by the Council. The Commission was of opinion that the employment of gases against non-combatants must be regarded as barbarous and inexcusable, but that it would be useless to seek to restrict their use in wartime by prohibiting or limiting their manufacture in peace time.

The Council then proposed that Governments should consider the penalties to be imposed upon any nation using poisonous gases in wartime and decided to seek, with the help of competent scientists, a means of effectively preventing their manufacture.

This question was referred in 1921 to the Temporary Mixed Commission which discussed the possibility of appealing to scientific men throughout the world to publish their discoveries concerning poisonous gases in order to prevent any State from becoming the sole possessor of a weapon of this description.

After consulting the Committee on Intellectual Cooperation, the Temporary Mixed Commission came to the conclusion that an appeal of this nature was not a practical measure for the following reasons. A chemical process invented by a scientist cannot be used for war before it has been officially tested. These tests are generally secret. It is moreover difficult to ensure that all new methods are published, and this fact would place countries responding to the appeal at a disadvantage as compared with those who do not. The Temporary Mixed Commission considered that it was essential that people should grasp the importance of the problem, and, for purposes of publicity, asked the Committee to draw up a report on the possible effects of the chemical weapon in the event of a future war.

With the approval of the Assembly, this Committee began work in 1923. It drew up a questionnaire which was forwarded to a certain number of scientists. A detailed report was prepared which explains the effects of substances which are now known, examines the possibility of fresh discoveries and studies means of protection, drawing conclusions which the Temporary Mixed Commission adopted in its report in 1924.

The report explains that chemical weapons produce extremely varied physiological effects.

There are no conceivable limits to their power, their efficacy, and their variety, any more than there are limits to pharmacology or any other branch of chemistry. The effects on unprotected persons are extremely serious. They may be mitigated by adequate protective measures, but the problem of the protection of the civilian population has not been solved. It is to be feared that unscrupulous belligerent powers will not discriminate between the use of poison gases against troops on the battlefield and their use against the centres which provide such troops with the means of fighting. It is therefore indispensable that all people should realise the terrible menace which this arm constitutes.

The Assembly noted the report and requested the Council to publish it if such a course appeared advisable, and to encourage efforts making information on the subject generally accessible to the public. It added that the attention of public opinion throughout the world should be drawn to the necessity of endeavouring to remove the causes of war by the pacific settlement of disputes, and by the solution of the problem of security so that nations might no longer be tempted to use their chemical, industrial or scientific powers as weapons of war.

The Council expressed the hope that the Assembly delegates would do all in their power to make the report known in their respective countries.

2. UNDERTAKING NOT TO RESORT TO CHEMICAL WARFARE.

The Assembly of 1922, while approving the measures proposed by the Temporary Mixed Commission to enlighten public opinion, adopted a resolution recommending that States members of the League and other nations should accede to the Treaty concluded at Washington on February 6th, 1922, on the use of asphyxiating gases and submarines in time of war, and other similar questions.

Article 5 of this Treaty reads :

The use in war of asphyxiating, poisonous or other gases, and all analogous liquids, materials or devices, having been justly condemned by the general opinion of the civilised world and a prohibition of such use having been declared in treaties to which a majority of the civilised powers are parties (1).

The Signatory Powers, to the end that this prohibition shall be universally accepted as a part of international law binding alike the conscience and practice of nations, declare their assent to such prohibition, agree to be bound thereby as between themselves and invite all other civilised nations to adhere thereto.

The Council accordingly decided on January 31st, 1923, to place the accession of States to the Washington Treaty on the agenda of an international conference for the reduction of naval armaments which it was proposed to hold in Geneva in the near future. This conference did not take place, owing to the failure of the preparatory work of the Naval Sub-Committee in Rome (1924).

The discussion of the question was resumed by the inter-

(1) The Treaties referred to in the first paragraph of this article are the peace treaties which all contain an article beginning "The use of asphyxiating poisons, or other gases, and all similar liquids, materials, or devices being prohibited...".

national conference (May 1925) for the supervision of the trade in arms. Senator Burton (United States) proposed to prohibit the export of asphyxiating gases and other poisonous substances for warlike operations. The Polish delegation asked that the prohibition should include bacteriological weapons.

The Conference noted that this prohibition would not prevent the chemical weapon from being used by States possessing a chemical industry, and that it would be extremely difficult to apply, as chemical war products are very similar to those used in industry or for pharmaceutical purposes. It concluded that the most simple solution would be to ask all States to give a formal undertaking not to resort to chemical warfare. A Protocol was drawn up in the following terms:

The Undersigned Plenipotentiaries, in the name of their respective Governments :

Whereas the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, materials or devices, has been justly condemned by the general opinion of the civilised world; and

Whereas the prohibition of such use has been declared in Treaties to which the majority of Powers of the world are Parties; and

To the end that this prohibition shall be universally accepted as a part of International Law, binding alike the conscience and the practice of nations;

Declare :

That the High Contracting Parties, so far as they are not already Parties to Treaties prohibiting such use, accept this prohibition, agree to extend this prohibition to the use of bacteriological methods of warfare and agree to be bound as between themselves according to the terms of this declaration.

3. PREPARATORY WORK FOR THE CONFERENCE ON THE LIMITATION AND REDUCTION OF ARMAMENTS

Such formal undertakings were not sufficient to allay the anxiety of those who feared a return to the practices of chemical warfare, and in the course of the preparatory work for the Disarmament Conference during the last two years, the question of chemical warfare was once more raised as likely to gain in importance in the event of the limitation of the quantity or strength of war material not prohibited by the law of nations.

At the request of the British delegation, the Preparatory Commission for the Disarmament Conference referred to its technical sub-commissions questions concerning the time required for the adaptation of chemical factories for the manufacture of poison gases, the means required for such transformation, the time and means necessary to equip civil or military aircraft for chemical warfare, the effect of the distribution of poisonous gas over closely populated districts, possible penalties for a State resorting to chemical warfare. The Military Sub-Commission and the Joint Commission sought the advice of civilian experts and recognised unanimously that, according to the amount to be manufactured and the nature of the peacetime production, the time necessary for the transformation of factories and aircraft might vary from some hours to several weeks. It would take longer if a chemical industry had to be built up from the beginning and if there were no factories which could be made use of.

The Military Sub-Commission did not see how it was possible to prevent such transformation. The Joint Commission proposed agreements between the producers of the various countries in order to ration manufacture and to be able to supervise the prohibition of manufacture for purely military purposes. The Joint Commission also suggested that government subsidies for official laboratories or private

institutions for research work on poisonous substances for military purposes should be prohibited.

As regards penalties which might be inflicted on a State violating its undertaking not to resort to chemical warfare, certain members of the military Sub-Commission proposed that immediate reprisals should be organised with the same chemical substance. Other members objected that the organisation of such reprisals would demand preliminary study, and that this would merely imply the recognition of the chemical arm as a legitimate means of warfare.

The Belgian delegation to the Preparatory Commission suggested that an international convention should render compulsory the publication of inventions capable of being used for prohibited forms of warfare. The Military Sub-Commission was of opinion that such a convention would in practice be useless for the same reasons as those given in connexion with the publication of inventions.

The Belgian delegate also asked for consideration of the possibility of inserting in a convention on the prohibition of chemical warfare a clause providing for a procedure of complaint and investigation on the subject, similar to that contained in the charter of the International Labour Organisation. The Committee of Experts consulted by the Joint Commission had expressed the opinion that an international convention for the prohibition of chemical warfare could not be effective without an agreement between the industries concerned. Once such an agreement is concluded, if it is violated by any industry, the syndicate has to settle the incident. If the violation is due to secret manufacture or Government action, the procedure of investigation on the spot may be contemplated without difficulty from the economic point of view. The Committee added that penalties for the guilty would be an advantage for the general prosperity as they would contribute to a feeling of general security.

The Preparatory Commission for the Disarmament Conference did not have sufficient time at its session in March 1927 to find a solution of the problem on the technical basis furnished by its Committees. Without discussion, it confined itself to inserting the proposals submitted in its preliminary draft convention.

CHAPTER IV

The Right of Investigation.

The Treaties of Peace which put an end to the war of 1914 to 1918 all contained at the end of the chapter concerning military, naval and air clauses an article by which Germany, Austria, Bulgaria, and Hungary undertook to lend themselves to any investigation which the Council by a majority vote might consider necessary (Articles 213 of the Treaty of Versailles, 159 of the Treaty of St. Germain, 104 of the Treaty of Neuilly and 143 of the Treaty of Trianon). In May 1920 the Council instructed the Permanent Advisory Commission for military, naval and air questions to study the question and submit rules for the exercise of this right of investigation. The Temporary Mixed Commission also considered the question, but the drafts established were never applied, for the Inter-Allied Commissions of Control continued in office longer than was contemplated by the Treaties. The discussion of the question was resumed in 1924 at the request of the British Government at a moment when it appeared that these Commissions would shortly be disbanded.

I. THE RULES OF 1924.

The Council had first to settle a preliminary question. Certain Governments which were not represented on the

Council had asked to be represented in virtue of Article 4, paragraph 5, of the Covenant when questions of investigation were discussed. The Council, after taking legal advice, decided to sit with its usual membership.

The Permanent Advisory Commission submitted, in September 1924, a series of draft rules which were much more detailed than those of 1921. The Council adopted them with some modifications. These rules define the duties of the bodies concerned in the investigation.

a) *Rôle of the Council.* — Without prejudice to the right of an individual member of the Council to bring any matter to the direct notice of the Council, every Government member of the League may communicate to the Secretary-General for consideration by the Council any reports or information which in its opinion call for the exercise by the Council of the right of investigation.

Once an investigation is decided upon, the Council will notify the Government concerned, without informing it of the details of such investigation which may bear on the demilitarisation of territories provided for by the treaties, and the military, naval and air clauses of the treaties.

The programme of the investigation and the lists of experts are drawn up by the Council. The Council decides the composition of the Commissions and appoints the presidents, who receive their instructions from the Council and are responsible to it (1).

The Council fixes the period of the investigations and receives all reports and information.

b) *Composition and functions of the Permanent Advisory Commission.* — The Permanent Advisory Commission is

(1) The Acting-Presidents of the Investigation Commissions are General Baratier, for Germany; General Calcagno, for Austria; General Schuurman, for Bulgaria; and General G. C. Clive, for Hungary.

responsible to the Council for preparing any investigation upon which the Council may decide.

Any State which is not member of the Council, but a neighbour of a State which has given to the former State undertakings by one of the Peace Treaties to submit to investigations, shall be represented on the Permanent Advisory Commission for all questions concerning investigations.

According to the nature and importance of the investigation, the Permanent Advisory Commission will submit to the Council proposals as to the exact composition of the Commission of Investigation. It supplies the presidents with such information as may be necessary, and the presidents address to it copies of reports upon which the Commission forwards to the Council a reasoned opinion.

Members of the Permanent Advisory Commission cannot be members of the Commission of investigation.

c) *Composition and functions of the Commissions of Investigation.* — The members of these Commissions are chosen from a list of experts qualified in the various matters likely to form the subject of investigations. These lists are kept by the Governments of States represented on the Council.

The exact composition of the Commission varies according to the nature and importance of the investigation. It may be fixed by a majority vote of the Council. With the exception of States subject to investigation, the States represented on the Council, when an investigation is decided upon will be represented in principle on every commission of investigation.

Every local investigation will be carried out by at least three experts of different nationalities.

The presidents of the Commissions will not reside in a State subject to investigation except during the period of investigation. They can, within a period fixed by the Council

and with its approval, detach groups to remain at points in demilitarised zones where continuity of investigation is required (1).

d) *Powers of the Commissions of Investigation and facilities to be granted by Governments subject to investigation.* — The rules were completed by a report on ways and means of assuring to the Commissions of Investigation free and complete execution of the duties entrusted to them.

This report was drawn up by the Permanent Advisory Commission with the assistance of a committee of jurists, and was adopted by the Council in September 1924. It is in two chapters, the first dealing with the powers of the Commissions, the second with the facilities which Governments should grant them. It is the duty of the Government concerned, on receipt of a notification from the Council that it has decided to exercise its right of investigation, to take all measures to ensure that the Commission may accomplish its mission to the fullest extent in complete freedom and without encountering resistances, whether active or passive, on the part of any authority or of the local population. The Government concerned must also assure the Commission the legal means for the execution of its mission.

The Council forwarded these rules to the four countries concerned in order to enable them to take the necessary measures to ensure the proper carrying out of the system of at any time put into operation.

The Council drew attention to the fact that in its opinion the essential point in regard to the investigations was that the States concerned were formally bound by treaty to submit to these operations.

e) *Right of investigation in the demilitarised Rhine Zone.* — On the proposal of the French representative, the Council in

(1) See below amendments to Rules of Investigation.

December 1924 asked the Permanent Advisory Commission to study the application to the demilitarised Rhine Zone of the rules on demilitarised zones. It will be recalled that these rules provided that with the approval of the Council the president of the Commission of Investigation could detach groups to remain at points in demilitarised zones where the continuity of investigation was required.

The Permanent Advisory Commission submitted a report which was not unanimous, and on which the Council did not take any decision. The question was postponed and was only settled in December 1926 when the rules of investigation were revised to take account of the objections of the German Government.

2. AMENDMENTS TO THE RULES OF INVESTIGATION AT THE REQUEST OF THE GERMAN GOVERNMENT.

In January 1926, the German Government replied to the Council on the subject of the rules of investigation. While stating its readiness to facilitate the investigations which it considered as offering to some extent a guarantee against unjustified allegations, the German Government pointed out that the rules might be interpreted as intending to transform into a permanent control the investigation contemplated in Article 213, which could only apply to specific cases. It stated that the provisions concerning detached groups and demilitarised zones could not apply to the Rhine zone, and that an investigation in that zone could only bear on the general clauses of the treaty concerning armaments (Part V of the Treaty of Versailles), and not on the special articles (42, 43, 44, of the Treaty of Versailles) concerning the zone. Finally the German Government expressed its willingness to grant the Commissions all necessary facilities, but pointed out that the powers requested in regard to German authorities and individuals were in some measure

inconsistent with the German constitution. It hoped nevertheless that it would be easy to reach an agreement on the subject.

The Council discussed these objections when, after the Locarno Agreements, Germany entered the League and became a permanent member of the Council. It adopted the following text as interpreting the Rules of Investigation :

1. The Council of the League of Nations, acting by a majority vote, shall decide in conformity with Article 213 of the Treaty of Versailles, whether it is necessary, in any particular case, to hold an investigation, and it shall then specify the object and the limits of such investigation. The Commissions of Investigation shall act under the authority and on the instructions of the Council; the Council's decisions shall be taken by a majority vote.

2. To render an effective investigation possible, the Commission shall apply to the representative appointed by the German Government or to his delegates, who will procure without delay the assistance of the administrative, judicial or military authority competent under German law. Such investigations shall then be carried out and findings reached as the Commission, acting within the limits of its instructions, may consider advisable, the interested party being given a hearing.

3. The prohibition laid down that the nationals of a State subjected to the right of investigation shall not form part of Commissions of Investigation, shall be understood in the sense that the nationals of the State in the territory of which an investigation is undertaken, shall never form part of a Commission holding such investigation.

4. It is understood that the provisions of Article 213 of the Peace Treaty with Germany, relating to investigations, shall be applicable to the demilitarised Rhine zone as to other parts of Germany. These provisions do not provide in this zone, any more than elsewhere, for any special control by

local standing and permanent groups. In the demilitarised Rhine zone such special groups, not provided for Article 213, shall not be set up except by convention between the Governments concerned.

5. The explanations give in Articles 1, 2, and 3 above naturally apply to cases under Articles 159 of the Treaty of Saint-Germain, Article 143 of the Treaty of Trianon, and Article 104 of the Treaty of Neuilly.

The Council has been notified by the Conference of Ambassadors of the termination of the Inter-Allied Control in Germany, Hungary, and Bulgaria. It is expected that a similar communication will be received with regard to Austria. The final reports of the Commissions of Control in the three first named countries have been deposited in the archives of the Secretariat.

The Conference of Ambassadors has also informed the Council of the agreements between the Governments represented on the Conference and the Governments of Germany and Bulgaria with regard to the civil aviation regime to be applied in those two countries. A similar agreement has been concluded between the Conference and Hungary.

CHAPTER V

Publications of the Secretariat.

I. MILITARY YEAR-BOOK.

The Disarmament Section publishes a military year-book containing general and statistical information on the land, sea and air armaments of most countries.

When the Temporary Mixed Commission proposed that this year-book should be published, it considered that it would have an excellent effect from a moral point of view and would make it possible to refute any alarmist press campaign based on inaccurate information. The year-book was first published in 1924, when it contained information on the armaments of about twenty countries. It has been developed since that date and now contains statements concerning fifty-eight countries, members and non-members of the League.

Each statement is in three parts, the first giving general information on the army, air force, and navy, the second concerns national defence expenditure, the third contains statistical information on the production and exchange of raw material and manufactured wares of importance to national defence. One of the annexes gives extracts of the treaties and conventions in force which concern the limitation or reduction of armaments. Another annex, which was published for the first time in the latest edition, contains graphs giving the position as regards navies of the principal sea Powers in 1913, 1919 and 1926, and statistical tables giving the characteristic features on the armies of all countries.

2. STATISTICAL INFORMATION ON THE ARMS TRADE.

The Disarmament Section also publishes each year statistical information on the trade in arms, munitions and implements of war. The first publication of this kind was issued at the request of the Temporary Mixed Commission, in view of the preliminary work for the conventions on the arms trade and the supervision of private manufacture.

In 1925 the Fifth Assembly instructed the Secretary-General to continue regular publication of this information, which is drawn from the customs statistics of the various

countries. The document is in three parts, the first containing statistical tables for the different countries of imports and exports classified according to wares, source and destination, and on the general balance of the arms trade. The second summarises in tables the import and export trade in arms and the situation in the different countries. The third gives the official documents upon which the tables are based.

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LEAGUE OF NATIONS

ECONOMIC AND
FINANCIAL ORGANISATION

Information Section,
League of Nations Secretariat,
GENEVA.

NOTE

This pamphlet is one of a short series issued by the Information Section of the Secretariat of the League of Nations on various aspects of League work. It should not be regarded as an official statement engaging the responsibility of the League; for official purposes, reference should be made to the documents and proceedings of the League of Nations.

Other pamphlets deal with the general work and development of the League, its constitution and organisation, the Permanent Court of International Justice, political activities, financial administration, disarmament, health, mandates, transit, minorities, the administration of Danzig and the Saar, intellectual co-operation, and humanitarian activities.

January 1928.

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THE LEAGUE OF NATIONS

WORK OF THE FINANCIAL AND ECONOMIC ORGANISATION

INTRODUCTION

The Economic and Financial Organisation of the League was created in the first instance in order to give technical advice to the Council. It originally consisted of two Committees, the Financial Committee and the Economic Committee. Later, a consultative Committee was appointed, at the suggestion of the Economic Conference, to supervise the execution of the resolutions of that Conference. The composition of this body is modelled upon that of the Preparatory Committee of the Economic Conference and includes qualified experts on industry, commerce, agriculture, finance, labour and questions affecting consumers.

The Economic and the Financial Committee usually work independently, but they sometimes meet in plenary session in order to consider problems of common interest. Each Committee consists of 12 or 15 members—high officials from Treasuries or Ministries of Commerce, directors of great private banks, eminent economists or statisticians—not official representatives of Governments, but chosen by the Council for expert capacity and special knowledge of certain economic or financial matters. The nature and composition of these two Committees are important as an illu-

stration of the League method in the economic and financial sphere. Not being Government representatives they can come to the discussions with minds comparatively free from political influences or exclusive preoccupations with national interests. It is notable that their resolutions and recommendations, based on technical considerations, have almost always been unanimous.

The experience of the last years has abundantly proved that, when proposals are submitted to Governments, they come with additional force by reason of the fact that the authors are disinterested experts. On the other hand, the members are in touch both with the Governments of the countries from which they are drawn and with business and financial circles.

Their work is unhampered by any rigid rules or constitution. Their number is not permanently limited by any statute. They meet in practice three or four times a year, generally at Geneva, and usually sit for a week or ten days. But they meet oftener and longer if circumstances require; the session of the Financial Committee which was held in 1922 to discuss the reconstruction of Austria lasted four weeks, and some members of the Committee were in Vienna for another two months in order to set the scheme working.

They are free, subject to the Council's approval of general lines of policy and procedure, to conduct their enquiries as they think best and to adapt them to the circumstances of each case. They frequently appoint small sub-committees composed of some of their own members or of specialists drawn from any country in the world.

The secretarial work of these two Committees and their sub-committees is done by the Economic and Financial Section of the permanent Secretariat of the League at Geneva. This section includes an economic intelligence branch which prepares and keeps up to date a number of technical publications.

FUNCTIONS, POLICY AND PROCEDURE.

Functions. — With regard to the functions of the League in the sphere of economics and finance, the Covenant itself contains only one specific reference in Article 23 (e), which runs :

“Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League...”

“(e) Will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection the special necessities of the regions devastated during the War of 1914-1918 shall be borne in mind.”

But the economic and financial duties of the League *implied* by the Covenant are far wider than this, and arise in relation to the three main objects of the League, namely.

(a) The provision of a means of settlement of disputes and quarrels without resort to war.

It is clear that many disputes and quarrels arise directly or indirectly out of economic conditions, and the Council or Assembly, in forming their judgment upon such disputes, must have the requisite knowledge and advice. Moreover, the Covenant provides for the use of what has been called “the economic weapon of the League”, the boycott of any State which flouts certain of its obligations under the Covenant.

(b) The removal of whatever disturbs the good understanding between nations on which peace depends, that is, the removal of the causes of quarrels and disputes.

It is evident that the range of possibilities opened up in the economic sphere by this general duty is almost unlimited,

though it is equally evident that any efforts to eliminate the deep-seated economic causes of war have to be made with the greatest prudence and caution.

(c) The provision of machinery by which (quite apart from questions of peace and war) the nations of the world may mitigate suffering and promote progress by means of international co-operation.

Here again the opportunities which present themselves may be innumerable. The work of the League described in this pamphlet in connection with general post-war problems falls chiefly under this heading. For instance, the object of the Economic Committee in connection with the equitable treatment of commerce has in the first place been an improvement in the conditions under which foreign traders work. Similarly the enquiry by the Financial Committee into the evils of Double Taxation and Fiscal Evasion are really an attempt to seek to remove in the only way possible, *i.e.* by international action, a system which is unjust both to the individual taxpayer and to Governments.

Policy. — The policy of the Council and—under its direction—of the Economic and Financial Commission has for two reasons been cautious and tentative. The League is a composite association which must take into account the wishes and interests of all its members; its business is to discover and to explore such common ground as exists; it has no power to impose a collective will, but only opportunities to elicit general consent; in short it provides, not a form of government, but a method of co-operation; for while, on the one hand, it may not abandon the idea of progress in every sphere for which it was created, it has to take account of the prevailing tendencies of the Governments of which it is composed. Thus, for instance, in 1923 it was thought wise to exclude from the scope of a general conference recently held on Customs Formalities all questions and all discussions

relating to the tariff and commercial policy of States, not only because many Governments would have been hostile to discussion, but because it could have had no practical result, since international agreements are useless unless they are widely accepted and applied.

The second reason why the Council has pursued a cautious policy is that, many of the problems requiring solution are comparatively new, or present themselves under unprecedented general conditions. Thus, for instance, the nature and extent of double taxation had never been investigated and no attempt to deal with the question by international co-operation has ever been made. It has therefore been necessary to undertake the most careful enquiries before attempting to find a basis on which an international agreement could conceivably be built.

Procedure. — A procedure has therefore been adopted which provides a number of safeguards. Four stages may be distinguished in it.

(1) The Economic and Financial Commission examines any particular subject which is suggested, *e.g.* by the Brussels Conference, as suitable for the League to pursue, and decides whether, and to what extent, it would be in harmony with general opinion, whether it is likely to find acceptance among Governments and is likely to lead to a practical result.

(2) If, after this examination, a problem seems to present chances of action, it is then often submitted to committees of specialised experts which elucidate this or that aspect, and which, by reason of their composition, are often intended to provide a kind of test of the opinion in the countries most nearly concerned. The directions in which real progress is possible in the near future are thus explored.

(3) The Economic and Financial Committees, or one of their sub-committees, then proceeds—always under the general

direction of the Council—to prepare a programme which is carefully confined within the limits previously determined.

(4) The Council is then recommended to summon a general Conference with the object of drawing up on the basis of the programme submitted to it an international convention.

Governments are, of course, free to sign and to ratify such conventions or not, as they wish; but the fact that nationals from many of the participating countries have in one way or another been associated in its preparation generally results in a large number of signatures and ratifications.

Even if these four stages are carried to a conclusion, the work of the League is not done; for most of the international conventions concluded under the auspices of the League contain some provisions : (1) that cases of dispute arising out of the convention shall be submitted in the first instance with a view to amicable settlement to a technical body of the League for an advisory opinion and (2) that information shall be sent by the Contracting States to the Secretariat at regular intervals as to the way in which the Convention is being executed. Of course, at one or other of the stages described above, several questions, such as the scheme of international credits, have proved to be impracticable, or, like the treatment of foreign branches of banks raised in 1921, unripe for international treatment; it has been found necessary to suspend work upon them, merely making recommendations to the various States to adopt certain principles or suggestions; others—double taxation for instance—have not advanced beyond the early stages. It does not follow that the action of the League in such cases has proved fruitless. Progress has not yet gone far beyond preliminary attempts at international collaboration; experimental work is not only necessary to meet the needs of each case; it is also of indirect assistance in preparing the way for future success.

It is not possible to indicate the methods of procedure which have been followed by the Council in dealing with

special problems, as they vary according to circumstances. But three examples may be given in order to illustrate their variety.

In preparing the scheme for the *reconstruction of Austria*, each of the two Committees contributed a part of the work, in collaboration with other Sections of the League, and under the general direction of a special sub-committee of the Council. The object aimed at was a comprehensive settlement which would have political, financial, economic and legal aspects. The paramount pre-occupation was to restore Austrian credit. From this it followed that there would have to be a control of Austrian finances in order to ensure that a general programme of reforms, resulting in a permanent settlement, would be carried out, and also some form of special guarantee for the potential lenders. On the other hand it was essential that the control should be such as the Austrian Government could reasonably be expected to accept. A careful distribution of powers was therefore necessary. Finally it was decided to institute for the purposes of control a single Commissioner-General, appointed by and responsible to the Council alone, and, in order to ensure his freedom from political influences and from the bias of special interests, not chosen from any of the principal guaranteeing countries, or from countries bordering on Austria. The need for a special guarantee was, on the other hand, met by the creation of a special "Committee of Control of the Guaranteeing Governments" which were backing the reconstruction loan, with powers carefully limited and adapted to the purpose of the Committee, *i.e.* the safeguarding of assets assigned for the service of the loan. A somewhat similar framework has been prepared in the scheme for Hungary.

The *Greek Refugee Problem* was of a different kind. Here it was a question not of reconstructing a whole country but of starting a definite piece of productive work, which should

ultimately pay its own way, in order to find employment for refugees by a system of land settlement.

There existed no institution capable of raising the initial credits. This kind of administrative and financial work was not such that the Council could assume immediate responsibility for it. It was decided therefore that, under a protocol signed by the Greek Government, prepared under the auspices of the League and approved by all the members of the Council, a settlement commission should be constituted, consisting of two Greek members, *a representative*—not like the Commissioner-General in the Austrian case, an executive official—of the Council and a fourth member who was to be chairman and have a casting vote, and who, although the appointment was also made by the Council, was to be representative of the relief organisations which had been working on the spot. This Commission is not an executive organ of the Council; it is a separate body with legal personality and it will elaborate and carry out the settlement scheme and will endeavour to raise the foreign credits by the issue of a loan secured upon assets placed at its disposal by the Greek Government. Here is a case where the League has lent the assistance of its technical organisations for the construction of a plan and where political questions involved have been settled in the Council. But once the scheme is set up, the work of the Council consists chiefly of the consideration of periodical reports from its representatives.

An example of a third method for dealing with special cases was the appointment of a *financial adviser to the Albanian Government*. Certain States, for various reasons, do not possess financial, administrative and economic experts with the required experience to enable them to set up an Organisation adequate to cope with the needs of the abnormal period through which the world is now passing. The Council of the League of Nations therefore stated that it was prepared

to consider any request addressed to it by States requiring competent technical advisers, and the Council undertook, with the assistance of the Economic and Financial Organisation, to discover the technical experts who might best be placed at their disposal. This principle was first applied in the case of Albania. The Adviser is not an official and not even a representative of the League, and his powers are not defined in the form of a protocol or other international instrument, but are fixed by the Government whose service he enters. But having been chosen through the League he is naturally in touch with its technical organisations and can count upon their collaboration.

PART I

FINANCIAL WORK

I. INTERNATIONAL FINANCIAL CONFERENCE OF BRUSSELS, 1920.

It was particularly in the financial sphere that the problems created by the war imposed on the League a series of tasks which fall under the general heading of reconstruction.

The first and most obvious requirement was to obtain some general outline of the facts of the situation. An International Financial Conference was accordingly held at Brussels in 1920. It was attended, as technical experts but not as spokesmen of official policy, by representatives of thirty-nine States, including for the first time enemies and neutrals in the late war.

The delegates submitted written memoranda on the financial position of their respective countries, supplemented by oral statements. Discussions took place on such subjects as budgetary principles and capital expenditure, external and internal borrowing, monetary policy and inflation, the rôle

of central banking, the instability of exchanges, trade barriers and various forms of export credits. The report of the Conference, covering almost every branch of public finance, was unanimous.

The Brussels resolutions were at first attacked, or neglected as doctrinaire. But, gradually, as one Finance Minister after another set himself more or less successfully to put his house in order, their practical value came to be recognised. For the report not only gave for the first time something like a complete view of the financial condition of the world after the war; it reasserted a body of financial doctrine—once orthodox—which had been abandoned and even forgotten in the exigencies of war.

Moreover, the principles laid down at Brussels were soon to be put to a practical test when applied to two specific cases of financial reconstruction which together constitute the earliest and also the most important part of the financial work effected through the League.

2. THE FINANCIAL RECONSTRUCTION OF AUSTRIA AND OF HUNGARY.

Both arose out of the dismemberment of the former Austro-Hungarian Empire. In 1922 Austria, and in 1923 Hungary, appealed to the Council for assistance in obtaining an external loan. Austria was faced by financial ruin, with all the consequent dangers of social disorder and political complications; Hungary, with a sounder economic foundation, was also in serious financial difficulties, with a heavy deficit on her budget, a currency hopelessly depreciated and a demoralised exchange. Both countries were faced with a reparation debt which would in any event be considerable but the exact amount of which had not been fixed. In each case, after the appeal had been made to the League, negotiations with the object of settling political difficulties, and involving

in one case the postponement and in another the limitation of reparation payments, which had proved unsuccessful in other spheres, were resumed. Plans were drawn up by the Financial Committee of the League for financial and monetary reform, to be carried out within a definite period under the supervision of an impartial officer of the Council, and for the issue of loans based on the security of assigned revenues which were recommended to the investing public as adequate—and proved to be so. The necessary public loans—£26 million for Austria and £10 million for Hungary—were successfully issued in various blocks on European markets and in America—in the case of Austria with the help of guarantees given by ten European countries. Trustees were appointed by the Council. And the plans adopted by the Council and carried out by the Governments concerned attained the object in view, viz., to ensure the economic integrity and political independence of the two countries.

But it may be convenient to note, in summary form, some of the main features of these two great experiments in financial reconstruction and international action, and some of the tentative conclusions suggested by the experience of their working (1).

1. The schemes were, in the financial sphere, comprehensive and complete. To stop inflation, they did not merely remove its immediate cause (unrestricted governmental note-printing) by the transference of the monopoly of note issue to a National Bank independent of the Government and working under carefully drawn statutes; they dealt with the secondary and more important cause, the excess of State expenditure over revenue, and provided for budget equilibrium. The machinery for securing performance was equally com-

(1) The following summary is taken from the "Comments and Conclusions" in a General Survey by Sir Arthur Salter, Director of the Economic and Financial Section of the League of Nations, appearing in two volumes published by the League Secretariat on the Austrian and Hungarian reconstruction work.

plete and comprehensive. At the top was the Council of the League (with its Sub-Committees, the Austrian and Hungarian Committees) supervising the whole task, particularly in its political aspects; assisting the Council were its technical committees, financial and economic, meeting every three months, and its permanent officers, with legal and other qualifications; while in Austria and Hungary the schemes were supervised in each case by the resident Commissioner-General.

And these schemes, together with the mechanism for their execution, were prepared, adopted both by the Council and the countries represented on it and by the Austrian and Hungarian Legislatures, and published *to the world at once and as a whole*. There was no attempt to introduce reform piecemeal, with the danger that it would break down at its most difficult point. On the contrary, adoption of the more difficult features was made easier by the impossibility of picking and choosing, and the knowledge that the plan must go through as a whole or not at all; and confidence was inspired by knowledge of the complete plans and their adoption as a whole, as it could not have been had certain integral portions remained unknown or uncertain.

It should be added that the Protocols gave *pleins pouvoirs* to the Governments for the execution of the schemes.

2. Stabilisation of the currency, while simultaneous with a plan of budget reform, preceded its accomplishment. The resolutions of the Brussels Conference of September 1920 suggested that the way to currency stabilisation was through budget equilibrium. But in 1920 European currencies, though depreciated, were not demoralised; and budgets, though in deficit, were not in chaos. In August 1922 and May 1924, with the Austrian and Hungarian crowns reduced to about 1/15,000 part of their gold value, and budget deficits, mainly as a consequence of the currency instability, incapable of calculation, no such order of events was possible. It was impossible to reform the budget while the currency was falling,

for an estimate made one day was wildly wrong the next. Most of the costs of government follow quickly the changes in the purchasing value of the currency; changes in the receipts from revenue follow much more slowly. It was essential, therefore, to stop the uncovered inflationary issues at once. Budget equilibrium followed; it did not precede.

3. The cessation of unrestricted note issuing did not mean that the Austrian and Hungarian currencies were limited to their previous figures. It meant that further issues were only legally permissible on the basis of the maintenance of a statutory proportion of gold and foreign exchange; the possibilities of increase were therefore dependent upon the inflow of foreign exchange. Within this limit the Banks of Issue were free legally to pursue their own policy. In fact, while maintaining the external value of the crown by the free sale of foreign exchange at a stable rate (in Austria, first in relation to the Swiss franc and then to the dollar; in Hungary to the pound sterling and then—as sterling came on a gold basis—to gold), the Banks also kept internal prices reasonably stable by their note-issue policy. The inflow of foreign exchange with renewed confidence was in fact such as to have made a much larger note issue legally permissible. It would have been impossible, and from every point of view unnecessary and undesirable, to restrict the notes issued to the number at the date of stabilisation, for this number would have been quite inadequate to the normal needs of the country. In fact, during the first two years since the stabilisation, the notes have increased in Hungary about three times and in Austria more than fourfold. But this has not been "inflation", in the sense in which that word denotes an undesirable process, for the increase was made in each case without affecting or endangering either the external value of the crown or raising internal prices. The fact is that, during the later stages of rapid depreciation, the fall in exchange value tends to outrun the increasing number of

notes; in other words, the gold value of the total currency tends to fall. This is partly due to the speculative anticipation of future inflation, partly due to an increased "velocity of circulation" (extension of credit payment, etc.), partly to a reduction of transactions, partly to the use of foreign currencies as a medium. The net result was that the currency in circulation when the League plans were started was quite inadequate to what were bound to be the normal needs of the two countries.

Unregulated issues went to an end in Austria on November 18th, 1922, but as there was a difficult time ahead and it was known that expanding needs would absorb and demand extra currency, a considerable number of notes was printed just before November 18th and kept in hand to be used in the succeeding months. This proved an invaluable resource, capable of employment without in any way depreciating either the external or internal value of the crown. It was a bold expedient fully justified by results. It is also interesting to note that the depreciation of the crown could be stopped, not with the decision in November to stop printing, but directly there was some hope of a real scheme at League reform—a full two months before.

The effect of the inflow of foreign exchange from the reconstruction loans and the homeward flight of Austrian and Hungarian capital with the return of confidence were both relied upon in the currency provisions. They proved much more than sufficient, and, had new notes been issued up to the maximum proportion allowed by the Statutes in relation to foreign exchange cover, the currency must have become excessive, internal prices would have risen and a fall in exchange value would only have been stopped after a drain on the exchange cover and much disturbance. But without those two sources of inflowing foreign exchange, the statutory provisions limiting note issue would have starved the countries of currency.

4. These indirect results of the loans—in evoking confidence, in stimulating the homeward flight of capital—proved of greater importance than their primary purpose of meeting budget deficits during the period of budget reform. For equilibrium between ordinary expenditure and receipts was attained at a very early date. Taking the whole period of reform in each case, the ordinary receipts from revenue considerably exceeded ordinary expenditure (even including in the latter the service of the loan itself). The loans were therefore in effect available partly for clearing off capital burdens and partly for capital investments designed to increase the productive capacity of the two countries.

5. This remarkable result was reached in each case not by a reduction in expenditure but by the rapid expansion of revenue as soon as the economy of the country had a sound currency basis and the taxing authorities had a stable medium of assessment. It was never contemplated that an actual reduction in the total expenditure would be practicable or indeed desirable. Economies were indeed made, but they were offset by increased—and much-needed—expenditure in other directions.

In this respect the two schemes, as worked out, show a marked difference from the schemes as outlined in the original reports. The standard budgets contemplated when the two schemes were started were considerably lower than those agreed to before the control of the two Commissioners was terminated. The original levels taken were, however, intentionally very conservative. Probably no one thought that they could be exactly adhered to; but it was necessary to have a severe standard by which to test and enforce the programme of reforms. In the supervision of the schemes by the Financial Committee and the decisions as to when financial stability could be considered as assured, the most difficult problem was that of the level at which the budget could be regarded as safely balanced. Admittedly it was much higher than

the figure originally fixed in each case; but it was by no means certain that the high levels reached by the revenues during the reconstruction periods were not so high as to impose too great a strain on the taxable capacities of the two countries. It was to this point that the special enquiry in Austria of the Financial Committee in August 1924 was mainly directed.

6. The economic reconstruction of Austria and Hungary was no part of the direct task undertaken by the League. The object of the League schemes was to provide a sound basis on which these countries would themselves build up the best economic structure possible in the circumstances.

The possibility of League help for Austria in certain portions of this task was not excluded, but it was no part of the original task, and in fact it has not so far proved effective. It is sufficient to say here that the economic distress of adjustment was considerable in Austria, though much less than was originally contemplated. Trade depression, as indicated in particular by the unemployment figures, remains serious. It is notable that, as in some other cases, the effect of post-stabilisation unemployment was experienced not in the year immediately following on the stabilisation but a full year and more later.

In Austria the inevitable, and necessary, economic adjustments were indeed both retarded and disguised by the boom resulting from the burst of confidence with which the scheme was launched and the sudden inflow of foreign money both from the loan and the recall of money previously sent abroad.

7. The restoration of the Austrian currency was the first instance of a successful effort to restore one of the currencies which after the war went completely to pieces—fell to less than one-tenthousandth part of their value. Of the others which fell into this category—the German, the Hungarian, the Polish and the Russian—the Hungarian was restored by a

similar League scheme, and the German in conjunction with an international action which in many of its most important features was based on the experience in Austria (1).

(1) In assessing the place of the Austrian and Hungarian schemes in the post-war financial history of Europe, it is important to study their relation to the German scheme drawn up by the "Committee of Experts" and subsequently adopted at the London Conference in 1924. Attention may be drawn to the following points of resemblance, influence or relevant experience.

(a) The demonstration of the recuperative capacity of a country disorganised by complete currency depreciation which was given by the sudden prosperity of Austria in 1923 was useful in assisting the Committee in its primary work of fixing upon reparation payments which would at once be acceptable to the creditors and regarded as practicable by those on whom the financial recovery of Germany depended.

(b) The technical principles — the transfer of the monopoly of note issue to an independent Bank of Issue, stabilisation in relation to gold, budget equilibrium — were the easier of adoption because of the proved experience in Austria.

(c) The protracted difference of opinion as to whether the "total obligation" of Germany should be fixed at once and for all time or whether this question should be postponed till war debts could be discussed as a whole, and experience of the capacity of a restored Germany as a whole had been obtained, was settled by a practical compromise. The obligations were fixed not "for all time" but "for a considerable period", which was defined as the "period which lenders and investors will have in mind". Experience had shown in Austria that certainty for such a period was a sufficient basis for confidence and financial recovery. The analogy of Hungary, where definite reparation payments were fixed for twenty years, in the scheme which was negotiated a few months before the German one, is even closer.

(d) The main system of "control" was different. In both Austria and Hungary the whole budget was under the control of a Commissioner-General. In Germany, for obvious reasons, no such control was considered necessary or practicable. Yet there was one feature of the League control system which proved a useful precedent for the German scheme. There had been a serious difference of opinion as to whether the reparation obligation, when fixed, should be secured by the control of assigned revenues or not. It had been urged on the one side that the creditor would not be assured without such control, and on the other that control would mean wasteful interference and friction. In Austria and Hungary, the League had had the same problem in securing the service of the "reconstruction loans". The solution had been to assign revenues whose normal yield would largely exceed the obligation they secured, any balance being at once returned to the Government. So long as the yield gave a safe margin (which in normal circumstances would be always), it was possible to limit the "control" to little more than a statistical observation of the results, without any interference in the management. The Committee of Experts on the German reparation problem took full evidence as to the working of this system in Austria and incorporated the main principles in their own arrangements for the control of the State revenues which were (with certain other securities) designed to assure the reparation payments.

(e) Lastly, the principle of a "transfer" safeguard was invented for and included in the Hungarian scheme, which was approved and published shortly before the Committee of Experts began their examination of the German problem. There

8. It may be well to comment upon some features of the League "control" on which there has been some misunderstanding. It has sometimes been stated that the League, or the States which constitute its executive authority, have seized the occasion of a country's need to institute a foreign tyranny, to destroy the sovereignty of the assisted State, to replace a native by an external Government. Nothing could be further from the facts. The greatest care was taken to create a system at once elastic and, so far as possible, invisible; a system which gives just so much control as, at any moment, is essential to secure the desired object and no more; a method which automatically means less interference as the need is less. The application of this principle to the control of the assigned revenues is shown in the preceding paragraph. The same is true as to the practical working of the control of the budget. If and when the progress made by either Government in executing the agreed reform programme was at any moment inadequate, the Commissioner-General's intervention at once became more active; just so far as the Government proved able to carry through the

had long been a difference of opinion as to the basis upon which Germany's capacity to pay should be assessed. It was urged on the one side that the natural basis was "taxable capacity". What was the burden on the German taxpayer in comparison with the burden in Allied countries? How much could it reasonably be increased? The answer would give the measure of capacity to pay reparation. It was urged on the other side that taxable capacity only indicated Germany's capacity to pay in German marks, and that reparation involved essentially payments in foreign exchange. The question should therefore be: "How much foreign exchange can Germany obtain?" or, in other words, "What is her potential surplus of exports (visible and invisible) over imports?" The difficulty of this criterion, however correct in theory, was that it involved an impossible calculation which in fact could be little more than guess-work. An exactly similar problem, though on a much smaller scale, had confronted the League in constructing the Hungarian scheme. The solution there found by the Financial Committee (and adopted by the Reparation Commission on the proposal of the League) was to fix the reparation obligation in the first instance in terms of the national currency and to provide for conversion into foreign exchange only so far as the financial position of the country should in fact be able to bear the strain without threatening the stability of the currency. This principle of a "transfer" safeguard was adopted in the German scheme, with some difference of method, and it constitutes what is perhaps technically the most interesting feature of that scheme.

reforms satisfactorily, it became nominal. In the Hungarian Protocol, indeed, drafted after experience in Austria, this principle is exactly defined :

“The Commissioner-General will not, so long as the progress of the reform scheme is up to or in advance of the programme, . . . object to particular items of expense or require modifications of the taxation system, except on the ground that the particular expense or feature of the taxation system is such (*e.g.*, by involving serious later commitments) as in his opinion to compromise the later progress of the scheme; but if the progress of reform is at any time behind what is prescribed . . . he . . . may object to any item of expense and may also, or alternatively, require the Hungarian Government to increase the yield of existing taxation or to impose new taxes.”

As Hungary in fact attained budget equilibrium within a few months, the practical effect of this provision was that, through almost the whole of his term of office, the Commissioner-General did not formally and of right control the Hungarian budget, though its personal confidence in him resulted in the Government constantly asking his opinion as a friendly adviser. So, too, the Protocols in each case provided for the termination of the office of Commissioner-General as soon as financial stability was assured—a provision executed by decisions taking effect in both cases on June 30th, 1926.

The same desire to avoid unnecessary foreign interference is evident in the third element in the “control”, the appointment of Bank Advisers. These officers have, both in Hungary and in Austria, served as officers of the National Banks and not of the League. Their advice was the more successful for being at once tactful, invisible and derived from an internal authority.

If, however, control was never more than was essential in the interests of the reconstruction itself, precautions were taken that it should be sufficient. If financial stability should be again endangered—that is if, but only if, either Government should prove unable to maintain the stability now attained on a sound basis—the office of Commissioner-General could be re-established. In the meantime, the mere existence of such a provision might well prove an element of support to a Government struggling, in a difficult period, to keep its expenditure within its resources.

One other misunderstanding needs removing. The similarity in the two principal pieces of financial work undertaken by the League has sometimes suggested that the particular system of control adopted in Austria and in Hungary is the "League system", necessarily applicable in all cases in which League assistance is asked. This is an unwarranted conclusion from two instances. The particular system then applied was chosen because it was considered appropriate to the particular conditions of these two problems. In fact, however, the League has associated its credit with a loan for economic development of a constructive character for Danzig on conditions which secure only the expenditure of the money upon the agreed objects, with the possibility of an accounting control of the securities of the loan. The Greek and Bulgarian refugee loans, again, are associated with a control of expenditure and of assigned revenues without any control of the general State finances. The conditions must necessarily vary with the character and circumstances of the particular problem. The methods hitherto adopted constitute only the guiding experience, not a binding precedent, for any new case that may present itself.

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The financial reconstruction of Austria and Hungary has thus not only restored these two countries ; it formed a

valuable precedent and example for the financial reconstruction of other countries, including both those which have restored, or are restoring, their finances by a national effort and those to which an international scheme has been applied. It has also tested and proved, and in some respects corrected or supplemented, the principles laid down at the Conferences of Brussels in 1920 and Genoa in 1922. It occupies, therefore, a position of great importance both in the theory and the practice of financial restoration.

3. SETTLEMENT OF GREEK REFUGEES.

The Austrian and Hungarian schemes had already been launched when a new problem presented itself. The late Greco-Turkish war involved a considerable displacement of population. The Treaty of Lausanne had required members of the Greek Orthodox Church established in Turkey to emigrate to Greece and Moslems established in Greece to emigrate to Turkey. This provision of the Treaty had, however, been anticipated by the flight of a large proportion of the persons concerned. During the retreat of the Greek Army and the capture of Smyrna and the rest of Asia Minor by the Turkish troops in the latter part of 1922, hundreds of thousands of inhabitants of these regions left their homes and fled to the coast, some with the assistance of Dr. Nansen, acting on behalf of the League.

As stated by the President of the Settlement Commission, Mr. Howland, it was obvious that the problem presented by the influx of 1,400,000 refugees into a country small in extent, whose population numbered approximately 5,000,000, involved for the Greek Government and for the League of Nations two elements. On the humanitarian side imagination cannot compass the event. Only those can make the effort of understanding who have seen destitution, misery, disease and

death in all their possible forms; and the scale of this disaster was so unprecedented as to demand even from such persons a new vision.

It required an equal effort of the imagination to picture the possible political consequences of such a catastrophe — consequences to the nation itself, to its neighbours, and from them to the world at large. Habits of order and respect for law disappear when a man sees his wife and children dying of want, and men become anarchists. There were not lacking those who fish in such waters, and who use for that purpose the poacher's apparatus of dynamite. Relief of despair on such a scale is as much a political necessity as a humane responsibility.

In the first months emergency assistance was improvised by American and British charitable societies. Such organisations could not provide the sums necessary for the definite settlement of all suitable refugees in productive work. And the Greek Government, which itself could not hope to accomplish such an immense task without the assistance of an external loan, asked the Council in February 1923 for the moral support and technical help of the League. Such a loan, however, presented great difficulties, for the financial credit of the Government in the money markets of the world had been necessarily weakened by the recent war.

As with Austria and Hungary, the problem was a complex one, with political, technical, financial and legal aspects, and the Council used all the appropriate parts of its organisation to solve it. After preliminary investigations in Greece, the Financial Committee reported in June 1923 on the whole problem, and, after considering their report, the Council approved the main lines of a scheme to be financed by a loan and administered by an independent Settlement Commission.

It proved impracticable, however, to issue a long-term loan immediately, particularly because political conditions in Greece had not become sufficiently stable. The work of settlement was enabled to proceed, however, by advances by the Bank of England in conjunction with the Bank of Greece, on condition that an independent settlement commission should be established on the lines approved by the League.

The functions and composition of the Settlement Commission were laid down in Statutes annexed to the Protocol adopted by the Council in 1923 on the report of the Financial Committee, and signed on behalf of Greece on September 29th, 1923. It consists of four members; the Council of the League appoints two members, including the Chairman, who is always a national of the United States; the two other members are appointed by the Hellenic Government with the approval of the Council. The function of the Commission is "to promote the establishment of refugees in productive work, either upon the land or otherwise in Greece". It is expressly stipulated that the funds of the Commission may not be spent on the relief of distress or for charitable purposes, as distinct from settlement in productive work. All assistance is given on terms involving ultimate repayment.

This first settlement loan was successfully issued in December 1924 in London, New York and Athens. In the meantime, work had been proceeding with the help of provisional advances, which were repaid out of the loan, *i. e.*, £1,500,000 advanced by the Bank of England, £500,000 by the National Bank of Greece, and £1 million by the Hellenic Government.

The proceeds of this loan amounted to £9,707,000. The following was the expenditure on the main groups :

	To December 31st, 1926		To June 30th, 1927	
	£	%	£	%
Agricultural settlement.	7,541,324	97.6	7,911,023	87.2
Urban settlement.	973,082	11.3	1,051,174	11.6
Central administration	95,242	1.1	113,658	1.2
Total	8,609,648	100	9,075,855	100

The sum of £7,541,324 expended on the *settlement of agricultural refugees* was used for the settlement of 147,211 families, an average sum £51 per family.

£973,082 (at 300 drachmæ to the £) were spent on *urban settlement*.

The total number of urban houses erected is 16,756, which gives an average of 22,087 drachmæ, or £73 12s. 6d. per house. These houses are inhabited by some 24,000 families.

Thus by the end of 1926 the back of the problem had been broken. It is impossible to give anything like exact figures of the number of refugees, urban and agricultural, who had by then been definitely settled, as no exact census could be made, the Statistical Services of the State having been temporarily suppressed for reasons of economy. But it is probable that the number of persons who had received assistance was considerably more than 700,000.

No mere figures, however, can measure the wider significance of the settlement work. Its beneficent effects have been felt in the sphere of politics, in achieving, for the first time in history, an almost homogeneous population in this troubled corner of Europe. Economically, the establishment of the refugees in productive work has not only removed a social danger and an economic burden, but has positively endowed

the country with a new source of wealth and prosperity. This is indeed the most remarkable conclusion to be drawn from the experience of the last three years. The refugees have proved to be admirable material; almost everywhere they have made good, whenever even the most slender assistance and encouragement could be given; and it is not too much to say that their final absorption into the social and economic life of the country will leave Greece far stronger and far more prosperous than she could have hoped to become if the influx of refugees had not taken place.

History of the New Loan Scheme.

In March 1927, the Refugee Settlement Commission informed the Financial Committee that the work of establishment could not be satisfactorily completed without an additional loan. At the time when the original scheme was drawn up, the settlement loan had been fixed at a net yield of £10 million in order that Greece might not exceed her borrowing capacity at that time. The Financial Committee estimated that an amount of £3 million would be required in order to complete the work during the next two years.

In April 1927, on the occasion of a visit to the Balkans of M. Avenol, the Deputy Secretary-General of the League, the Hellenic Government requested him to collect such information as might be necessary to throw light on the financial and budgetary situation.

It then addressed a request to the Council to approve in principle the issue of a new loan and to authorise the Financial Committee to give its assistance to Greece with a view to drawing up a complete plan of monetary and banking reorganisation.

The Hellenic Government and the National Bank further informed the Committee of their intention to stabilise the

drachma on a gold-exchange basis. The Committee stated its opinion that, if the functions of the Bank were revised so as to bring them into closer conformity with modern principles of central banking, and if some £3 millions were devoted to the reduction of the Government debt to the Bank, the latter would be sufficiently strengthened for its enhanced responsibilities, and the definite equilibrium of the budget and the stabilisation of the currency would be practicable in conjunction with a loan of £9 million.

The Council authorised the Financial Committee to continue its collaboration with the Government for the further elaboration of the scheme.

The main problem in evolving a satisfactory scheme was the creation of a Bank of Issue which would fulfil the limited functions of a modern central bank. It was necessary for the economic system of the country to maintain the National Bank of Greece as an ordinary commercial bank and that it seemed therefore preferable to transfer to a new bank its privilege of note issue and those of its other activities which are usually carried on by a Central Bank. On this principle were based the draft statutes for the new Bank and the draft agreement between the Government and the National Bank for the creation of the new institution.

A Protocol in which the various obligations of the Greek Government were precisely defined was signed by the Hellenic Minister of Finance, M. Caphandaris, on September 15th, 1927.

Summary of the Scheme.

The *Protocol* lays down, first of all, the *conditions to which the new loan must conform* in order that it may be issued under the auspices of the League. Its net yield, for instance, may not exceed £9 million. The conditions of the loan as to issue price, rate of interest, etc., must be at least

as favourable to the Hellenic Government as the Refugee Loan of 1924. The period of amortisation must not be less than thirty years.

The service of the loan is to be assured by all the revenues which are under the control of the International Financial Commission in so far as they are not pledged for the service of earlier loans.

If during any six months the available surplus amounts to less than 150 per cent of what is required for the service of the loan during such period, the international Financial Commission shall require the Hellenic Government to assign other additional revenues sufficient to bring the yield again up to at least 150 per cent of the service of the loan.

The service of the loan is to be assured by all the revenues of the International Financial Commission, which has been established in Athens since 1898. Since the war it has consisted of three members representatives of the Governments of France, Great Britain and Italy respectively.

The Hellenic Government undertakes legally *to stabilise the national currency* in relation to gold as from the day on which the new Bank of Issue shall begin business. This Bank will be established within six months after the issue of the loan. £3 million from the yield of the loan will be used by the Government to pay off part of the State debt which the new Bank will take over from the National Bank.

The share capital of the new Bank, amounting to 400 million drachmæ will be taken over by the National Bank, which is obliged to offer it for public subscription at par in three issues, the first within two months after the opening of the new Bank and the second and third issues each with a year's interval. The Bank of Greece will have a reserve in gold and gold exchange of not less than 50 per cent of the total of the note circulation and its other demand liabilities. (The sta-

tutes lay down that the reserve shall at least be 40 per cent.) The gradual complete redemption of the State debt to the National Bank and the Bank of Greece after the first payment of £3 million from the new loan also provided for.

The *Statutes for the Bank of Greece* are in general based on the last statutes which had been elaborated under the auspices of the Financial Committee, namely, those for the Estonian Bank of issue, which in turn were based on the Austrian and Hungarian statutes. Certain ideas inserted have been taken from other recent statutes, those of the Reichsbank, the Reserve Bank of South Africa, the Bulgarian National Bank and the proposed Indian Statutes. Other provisions, such as, for instance, the careful definition of the gold reserve, may be claimed to be improvements upon what existed up till now in this domain.

The Hellenic Government undertakes "to make, and to persist in making every effort" to keep the budget during the next two financial years within the present limits "and to maintain thereafter a complete equilibrium between the current revenue and current expenses of the State".

Three million pounds from the proceeds of the new loan, together with some other available resources, will be used by the Government for paying off the *budget arrears*.

The Hellenic Government further undertakes to create a *new system of public accounting* based on the principle of the unity of the State budget, of cash accounting supplemented by liability accounting and of the centralisation at the Bank of Greece of all the receipts and payments of the State and the State enterprises. The Government will *publish* in future *monthly statements* showing the cash position of the Treasury, the receipts and expenditure on account of the budget, the position of Treasury liabilities and the position of the public debt. It also undertakes to issue no Treasury bills or create similar *floating debt* in excess of 800 million drachmæ (*i.e.*, less than one-tenth of the present budget).

£3 million from the yield of the loan will be employed for the refugees by the Refugees Settlement Commission for the purposes described in the Protocol of 1923, or for such other purposes as the Council may approve on the proposal of the Commission.

Conclusion.

In comparing this scheme with other loan schemes prepared by the League, it will be observed that it was possible to make use of machinery already existing. The service of the loan and the control of the revenues assigned for that service are placed in the hands of the International Financial Committee in Athens, which for nearly thirty years fulfilled similar functions for other Greek loans.

The part of the yield which was to be used for the establishment of refugees was to be employed through the intermediary of the Settlement Commission.

In other cases Governments in serious financial difficulties have appealed to the Council of the League and have recognised the necessity and indeed the desirability, of accepting an impartial external control, administered under the authority of the Council. No such necessity arose in this case. The currency was stabilised and the budget was in equilibrium and the foundations on which currency stabilisation and budget equilibrium are based merely required strengthening. The measures provided in the present scheme were therefore directed and confined to this end.

4. SETTLEMENT OF BULGARIAN REFUGEES

History of the Scheme.

During the almost continuous fighting from the outbreak of the Balkan war of 1912 to the end of 1918, and throughout the troubled post-war period of shifting populations in the

Balkans, considerable numbers of refugees entered Bulgaria from the neighbouring countries. In some cases they left their former homes as the result of international conventions to which Bulgaria was one of the parties; in others the departure was unorganised. The official Bulgarian statistics for the period from 1913 to 1925 recorded that 221,191 refugees of Bulgarian nationality had arrived and remained within the narrowed frontiers of the new Bulgaria. Many of them remained unsettled and continued in the greatest misery. Internally, they naturally formed the material ready to hand for any revolutionary and disruptive forces threatening the social order. As regards external relations, they were not less dangerous. They provided recruits for, and gave shelter to, the comitadjis, whose activities led to so many frontier incidents. Moreover, the presence of so many destitute and miserable refugees, with vivid memories of their expulsion or forced abandonment of their former lands across the frontier—sometimes scarcely out of sight—necessarily constituted a standing menace of more far-reaching and ambitious movements.

It has been obvious for some years, to those who watched the Balkan situation, that a settlement loan, with the aid of which these refugees could be securely settled in their new country, among those of their own race, would not only relieve an immense mass of human misery but would have a stabilising effect on the whole Bulgarian—indeed the whole Balkan—situation altogether out of proportion to the sum involved.

Till recently, however, the internal situation of Bulgaria, and some factors in its external relations, were not favourable to the successful undertaking of such a scheme through the League. The situation was followed carefully, but as an unsuccessful application for assistance or an abortive attempt to help would have done nothing but harm both to Bulgaria and to the credit of the League, on which ultimate success

would depend, no encouragement to make a formal demand was given in earlier years. By the spring of 1926, however, the conditions seemed favourable and the Bulgarian Government made formal application on May 3rd, 1926. The proposals put forward on the responsibility of the Government contemplated the settlement of 30,180 families on the land and the assistance of some 5,000 families in the towns. The standard sum for the full settlement of a family was fixed at 50,000 levas (or about £75) to cover the provision of a house, an ox or cow, a half use of a plough and cart and a fourth use of a harrow, minor implements, seed and subsistence for eight or nine months. This sum compares with the standard figure of about £100 in the Greek refugee settlement scheme, the difference resulting from variations in local conditions and standards. Only 36 per cent of the refugees, however, were believed to be entirely destitute; 20 per cent had the means of subsistence for a few months; 17 per cent had a house and 27 per cent had a house and implements. Allowing for this, it was calculated that about £1,625,000 would be required for settlement on the land (excluding the cost of preparation of land where suitable land was not available). In addition, it was calculated that, if the 5,000 urban families were to be assisted, £150,000 would be required.

The question of the land required for settlement presented a greater difficulty than in Greece, where the departure of the Turks had left recently cultivated land available and where it was possible to find land for practically all the refugees without reclamation work. In Bulgaria the position was different. The standard allowance per family, under the Bulgarian land law, is 5 hectares. Some 10 per cent of the refugees will, however, be settled in districts of intensive cultivation (vines, orchards, tobacco, silkworms), where only half this land will be required to support a family. The general average may therefore be taken at 4 hectares, or a total of 132,000 hectares.

The full plan of expenditure, presented by the Bulgarian Government comprised :

Country settlements	£1,625,000
Town settlements	150,000
Expropriation	75,000
Clearing.	125,000
Drainage	225,000
Communications	450,000
	<hr/> £2,650,000

This total was reduced by the Financial Committee to £2 1/4 millions, mainly by the omission of the less urgent railway line and the elimination of the estimate for town settlements.

Before the Council could be asked to associate the League, credit with a loan operation, some important negotiation needed to be undertaken. It was necessary that the Reparation Commission should agree to release from the general reparation charge the revenues on which it was desired to place a first charge in favour of the new loan, and to institute a system which would safeguard the Bulgarian currency (and consequently, the assigned revenues) from losing their value through reparation payments.

The Financial Committee met in special session in London from July 19th to 23rd, 1926, and was able to recommend the President of the Council to authorise the Bulgarian Government to begin negotiations for an advance of £400,000. This sum was obtained in the form of an advance from the Bank of England to the Bank of Bulgaria.

In the meantime, one of the other main obstacles to the issue of a loan had been overcome. Bulgaria owed considerable sums in respect of pre-war loans and, while some payments were being made in respect of these obligations, only short-term arrangements had been made, and the Committee

took the view that, unless a definite settlement were reached, the issue of a loan would be difficult or impossible. Early in September 1926 an agreement covering the major part of these debts was concluded, and the problem was so far reduced in dimensions as to present no obstacle to the final approval of the main scheme of settlement at the September session.

A Protocol, embodying the obligations undertaken by Bulgaria and the system of control was signed by the representative of Bulgaria on September 8th, 1926.

Summary of the Scheme.

The purpose of the scheme is the establishment on the land of refugees exclusively of Bulgarian nationality.

The refugees to be so dealt with have been estimated provisionally as comprising about 30,180 families (or 60,360 persons capable of work, or some 120,000 persons altogether, including children and other dependants).

The scheme is exclusively one of *land settlement*, and does not, like the Greek scheme, include provision for *urban workers*. It is contemplated that the Bulgarian Government will be able to assist, from its own resources, the relatively small number of urban workers requiring assistance.

Settlement will consist of the provision of land, of housing, of supplies in kind of agricultural implements, cattle, seed and in some cases subsistence for a limited period. In addition, expenditure will be allowed in certain cases for purposes of drainage, clearing and communications.

The total loan is to be devoted "as to about two-thirds to the provision of houses, initial equipment and advances, and as to one-third to the preparation of land, so as to make it suitable for settlement and communications". The latter category of expenditure includes some £125,000 for clearing, £225,000 for drainage and £225,000 for communications (mainly the Haskovo-Mastanly railway line).

The Bulgarian Government has undertaken, to provide not less than 132,000 hectares of land which is, or may be made, suitable for agricultural settlement (exclusive of pasture land). This land must be unencumbered property of the Bulgarian Government. It is contemplated that of the above total about 36,000 hectares may require some work of clearing and deforestation and some 21,000 hectares some work of drainage, for which provision has been made in the estimates of expenditure. The remainder will be land immediately available for cultivation without such preparatory work.

The loan was successfully issued in London and New York on December 21st, 1926.

The sterling block amounted nominally to £2,400,000, of which £1,750,000 were offered for public subscription on the London market, the rest being subscribed by financial undertakings in Italy, Switzerland and the Netherlands. The American block amounted nominally to 4,500,000 dollars. The net yield of the two blocks amounted to £2,873,091. Of this, £625,899 11s. 6d. was used to satisfy the claim of the holders of Bulgarian Treasury Bills issued in France in 1912 and 1923.

The loan was paid into a special account of the National Bank of Bulgaria, and placed under the control of the Commissioner of the League.

The loan is secured by a first charge upon :

- (a) The excise duty on salt;
- (b) The excise duty on alcohol;
- (c) The net receipts of the match monopoly;
- (d) All sums received after September 1st, 1928, in respect of rent or interest due from refugees (sums received from refugees in payment for the purchase

of land, buildings or material, or as repayment of advances, will be applied to amortisation);

(e) Other additional revenues to be specially assigned if the above revenues should at any time fall below 150 per cent of the annual sum required to meet the service of the loan.

The competent reparation authority (the Inter-Allied Commission at Sofia) has released the above revenues (a) to (d) and has undertaken to release the further revenues mentioned in (e) if required, and the Bulgarian Government has undertaken to give the necessary first charge; it has also undertaken that the assigned revenues shall not be used (*i.e.*, even on the basis of a second charge) as a security for any new loan without the consent of the Trustees.

Trustees have been appointed by the Council of the League to represent the interests of the bondholders of the settlement loan.

The assigned revenues as they are collected are paid into a special account controlled solely by the Commissioner. After the termination of his office, this account will be controlled by the Trustees. The sums required for the service of the loan are retained and devoted to that purpose and the balance returned to the Bulgarian Government.

The terms of issue include provision for an amortisation fund and a reserve fund.

Apart from the specific securities of the loan, two precautions have been taken to safeguard the stability of the Bulgarian currency against a depreciation which might diminish the gold value of the assigned revenues.

The scheme is one of refugee settlement, as in Greece, and not of financial reconstruction as in Austria and Hungary, and direct responsibility with regard to the general finances of Bulgaria is not undertaken by the League. Nor

is such a responsibility required, for the Bulgarian budget has been balanced since 1922, and the leva has been stable for about the same period.

Nevertheless, the Financial Committee has taken the opportunity afforded by the settlement scheme to strengthen the position in two important respects.

In the first place, the powers of the National Bank have been carefully examined and new draft statutes, in harmony with the accepted principles of central banking, have been agreed by the Government.

The second new safeguard is of no less importance. The reparation payments of Bulgaria are prescribed in an agreement of March 1923. The payments last year amounted only to 8 million gold francs, but the annual obligation increases in later years till it reaches in 1924-35 a maximum of a little over 43 million gold francs. The Financial Committee considered that, unless provision was made to secure that demands for such considerable payments in foreign exchange were not pressed without due regard to the exchange position, the stability of the currency might be endangered. The Reparation Commission, has taken a decision under which payments of reparation will, if the need arises from the point of view of their effects on the exchange, be controlled by a Transfer Committee. The Bulgarian Government may request the suspension, "in whole or in part, in the interests of the stability of the exchange", of the purchase of foreign currency necessary for reparation payments. A Transfer Committee, consisting of three "experts on questions of exchange", will then be appointed : one of these members (the Chairman) being a citizen of the United States of America, or of a country which was neutral in the war, to be appointed by the unanimous vote of the Reparation Commission, or, failing unanimity, by the President of the Permanent Court of International Justice at The Hague; one by the Reparation Commission acting if necessary

by a majority; and a third by the Trustees of the settlement loan. This Transfer Committee will then be responsible for purchasing foreign exchange for reparation payments "to the extent to which it considers that the stability of the Bulgarian currency allows".

The control of the execution of the scheme is in the hands of a Commissioner appointed by, and responsible to, the Council of the League. He resides in Sofia and reports at least every three months to the Council. He has authority to engage personnel, including inspectors, within a budget limit fixed by the Council. The proceeds of the settlement loan and of the advance of £400,000 are paid into an account controlled by him. He is responsible for taking all precautions to ensure that the money is expended only upon the specified purposes; for certifying the land prepared for settlement as suitable both in character and in position, and for controlling the assigned revenues account.

Normally every three months, and at other times should occasion require, the general progress of the scheme is examined by the Financial Committee, and by the Council on its advice. The Committee and Council have before them the reports of the Commissioner, who is normally present in person to give further information and explanations.

The Council has recognised that the three neighbour Member States are interested in certain aspects of the settlement work, in particular, the choice of land for settlement in the frontier zones. The land chosen must be at least 50 kilometres from the frontier, unless its geographical formation presents a sufficient natural barrier. It has recognised the right of these three States to form an advisory committee which may meet in Geneva or elsewhere, but not in Bulgaria. The three States, or any one of them, can ask for information from, or present observations to, either the

League or the Commissioner, and will receive copies of official documents submitted by the Commissioner to the Council on such questions as they claim to affect specially their interests. Any one, or all three, may (with or without prior consultation in the advisory committee) send a letter to the Council on a subject affecting its or their interests in the sense of Article 4 of the Covenant, and in that case the State or States concerned would be present at the Council as Members during the consideration of such a letter.

A considerable portion of the legislation required to carry out the settlement scheme was passed by the Bulgarian Parliament on September 30th, 1926. It provided for the ratification of the Protocol, the acceptance of an advance of £400,000 from the Bank of England in anticipation of the loan, and the assignment as security for this advance of certain specific revenues. Full powers were conferred on the Cabinet to take by decree all necessary measures for the employment of the advance and for the settlement of the refugees. Further legislation, relating to the new statutes of the National Bank, as approved by the Financial Committee, was passed in November 1926, and came into force on January 1st, 1927.

The Bulgarian Government, undertook to centralise all its services dealing with refugees under one authority. This organisation was set up by the Bulgarian Government under a law voted on December 9th, 1926, and promulgated on December 14th. A Director-General for the Settlement of the Refugees was appointed, with wide powers, and was made responsible for all work connected with the execution of the plan, either directly through his own staff or through certain Government departments.

The first duty of the General Directorate established by the Bulgarian Government was to draft the plan of settlement.

The plan included a census of the families in need of relief, a description of the relief to be granted to each family, particulars as to the amount of land available and the work to be done in preparing it, together with an approximate estimate of the cost of settlement under each of these items.

The total estimated expenditure for the scheme as thus provisionally planned was estimated at about 1,221 million levas, or £1,817,000. In that figure, however, certain expenses which could not at that early stage be estimated were not included.

The total area of land included in the plan and available for settlement was 175,000 hectares, which was in excess of the area required under the Protocol. Part of this total area, however, could not be used, either because its preparation would be too costly or because its situation rendered it unsuitable for settlement in view of certain decisions taken by the Council.

The Bulgarian authorities, working in co-operation with the Commissioner of the League, proceeded at once with the preliminary work of settlement without waiting for the general plan to be finally established. In the period between November 15th, 1926, and February 15th, 1927, 1,547,065 kilogrammes of seed were distributed to 4,110 families at a total cost of over 10 million levas. The General Directorate also prepared plans and estimates for the construction of dwellings, and issued instructions to the competent services to draw up plans for the draining of marshes or flooded areas, and the construction of the railway from Rakowsky to Mastala (1).

(1) The Bulgarian Government has since asked the League to study a plan for the financial reconstruction of Bulgaria. The plan which has been drawn up by the Financial Committee and approved by the Council is, generally speaking, similar to that adopted in Greece and provides for an international loan of £4 1/2 millions sterling.

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These four definite pieces of reconstruction in Austria, Hungary, Greece and Bulgaria constitute the main financial work of the League during the past five years.

In each case the Government concerned took the initial step. Not only was no action taken without its consent but every device compatible with the smooth and sure execution of the scheme was used to eliminate the undue influence of interested parties and to respect the independence of the borrowing country. In each case there was a special problem of great magnitude, proved to be beyond the unaided resources of the country and to threaten its financial stability—situations so acute or menacing as to have grave political implications and to constitute matters of international concern.

The League itself could not, of course, provide the money. Its action was confined, in the first instance, to defining the objects in view, to preparing a scheme selecting adequate securities for a loan, giving its moral support by devising a mechanism whereby those securities might be safeguarded and the proceeds of the loan spent exclusively upon the objects selected. It was left entirely to the Governments concerned to negotiate the loans on the market of the world on the best terms they could obtain on the basis of the schemes prepared and the undertakings entered into at Geneva. Beyond this the Council assumed the further responsibility of appointing persons—commissioners and trustees—in various capacities and with varying degrees of responsibility.

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In addition to these four main tasks the Financial Committee has given advice on many other matters.

5. ESTONIA

In September 1924, the Estonian Government requested the Financial Committee to advise it as to what financial policy it should pursue. An enquiry was made on the spot.

In the autumn of 1926, the Estonian Government asked for further advice, in view of the fact that it was considering important financial reforms. Upon the report of one of its members, M. Albert Janssen, who made a special visit to the country, and after hearing M. Sepp, the Minister of Finance, and Sir Walter Williamson, Financial Adviser to the Estonian Government, the Financial Committee on December 8th, 1926, submitted to the Council a report and a Protocol which was by the Estonian Government on December 10th, 1926.

The Protocol provided for the preparation of three laws by the Estonian Government in co-operation with the Financial Committee, viz. :

(a) A law for reforming the Bank of Issue and including the Statutes of the said Bank.

(b) A law for the transfer to the Bank of Issue of the State note issue.

(c) A currency law.

The text of the laws was adopted by the Estonian Legislature on April 29th, 1927. The principles on which they are based were as follows :

(1) The Bank must have the sole right of note issue.

The Government and local authorities must have no right to issue notes or to borrow from the Bank, except in the case of the Government, which may borrow in temporary anticipation of revenue and subject to prescribed conditions of repayment.

(2) The Bank must be a central bank, fulfilling the functions of a bankers' bank.

(3) The Bank should guide the monetary policy of the country and fix the bank rate.

Its duty is to keep the value of the monetary unit stable, neither attempting an appreciation nor allowing a depreciation.

It is proposed, that the gold exchange standard system of currency should be adopted in Estonia and that the Bank should be placed under a statutory obligation to redeem its notes in stable foreign exchange within two years after the enactment of its statutes and maintain the value of the currency within the gold points.

(4) The Bank should not allow interest on current accounts or accept fixed-time deposits.

(5) The main business of the Bank should be the discounting of commercial bills of a self-liquidating character, corresponding to real and normal transactions; these bills should bear the signature of at least two solvent persons and should not have a longer currency than 90 days, except in the case of agricultural and timber bills, for which a maximum currency of six and nine months respectively may be admitted.

In no case should the Bank make, or be entitled to make, unsecured loans or give long-term credit

(6) The Bank should act as cashier for the State.

6. DANZIG

Financial questions connected with the Free City of Danzig, which is placed under the special protection of the League of Nations, have occupied a great deal of the Committee's time.

During the last five years, always under the advice and on the basis of schemes approved by the Committee, Danzig has created a new currency based on the gold exchange standard, founded a new Bank of Issue, and raised two foreign loans, one in London in 1925 and the second in London and Amsterdam in 1927.

7. DOUBLE TAXATION AND FISCAL EVASION

The financial tasks which have been described so far resemble each other in that they all arose directly or indirectly out of the war, were confined to single countries and limited to a given period.

Two other pieces of work—double taxation and fiscal evasion and the suppression of counterfeiting currencies—have a wider scope.

The International Financial Conference held at Brussels recommended that the League of Nations should take up the question of double taxation. The Financial Committee, to which the question was referred towards the end of 1920 entrusted the theoretical study of double taxation to four economists (1), whose report was published in March 1923.

Meanwhile, the International Economic Conference, which met at Genoa in April 1922, recommended that the League should also examine the problem of the flight of capital.

In June 1922, the Financial Committee decide to have both questions, namely, double taxation and tax evasion, studied from an administrative and practical point of view. It entrusted this work to a group of high officials of the fiscal administrations of various countries.

Notwithstanding the great difficulties of the question, these experts, after holding several meetings, agreed upon

(1) M. Bruins, M. Einaudi, M. Seligman and Sir Josiah Stamp.

a series of resolutions, which they submitted, together with a general report, to the Financial Committee in February 1925. They suggested, that the Committee should be enlarged and requested to prepare preliminary draft conventions based upon the resolutions adopted up to that date.

A Committee composed of a dozen experts was constituted (1).

(1) This Committee consisted of the following members :

Argentine. — Dr. Salvador Oria, late Secretary of State in the Ministry of Finance, member of the Board of the National Mortgage Bank.

Replaced at the third Session by
M. Julian Enciso, Councillor of Legation, Geneva.

Belgium. — M. Ch. Clavier, Director-General of Direct Taxation and Land Survey in the Ministry of Finance.

Czechoslovakia. — Dr. Vladimír Valniecek, Chief of Section in the Ministry of Finance.

Replaced at the third Session by
H. E. Dr. Bohumil Vlasak, Minister Plenipotentiary, Head of Department in the Ministry of Finance.

France. — M. Borduge, Councillor of State, Director-General of Taxation and Registration, Ministry of Finance.

Germany. — Dr. Herbert Dorn, Director in the Ministry of Finance.

Great Britain. — Sir Percy Thompson, Vice-President, Board of Inland Revenue.

Italy. — Professor Pasquale d'Aroma, Vice-General Manager of the Bank of Italy.

Replaced by
Dr. Gino Bolaffi, Head of Section in the Ministry of Finance, Department of Taxation.

Japan. — Mr. Kengo Mori, Financial Commissioner of Japan.

Replaced by
Mr. Takashi Aoki, Financial Representative of the Bank of Japan.

Substitute

M. Yamaji, Japanese delegation to the Reparation Commission.

Netherlands. — Dr. J. H. R. Sinnighe Damste, Director-General of Taxation For colonial questions :

Dr. I. J. van der Waals, Director in the Colonial Department.

Poland. — Professor Stefan Zaleski, professor of Political Economy in the Faculty of Law and Economics and Political Science at the University at Posen.

Assistant (for questions of succession duty) :

M. Edward Werner, Head of Department, Ministry of Finance.

Switzerland. — Dr. Hans Blau, Director of the Federal Taxation Department.

United States of America. — Professor Thomas S. Adams, President of the American Economic Association, former Economic Adviser to the U.S.A. Treasury Department, Professor at Yale University.

Assistants :

Mr. Mitchell B. Carroll, Chief, Tax Section, Department of Commerce.

The Committee held three sessions, at which a delegation from the International Chamber of Commerce was present in an advisory capacity.

It endeavoured to prepare draft conventions on the basis of the resolutions adopted in 1925. It was considered expedient to divide the subject-matter into four separate conventions. The question of double taxation was treated in two separate conventions :

(a) Draft Convention for the prevention of double taxation in the matter of direct taxation;

(b) Draft Convention for the prevention of double taxation in the matter of succession duties.

The question of tax evasion was also dealt with in two conventions :

(c) Draft Convention on administrative assistance in matters of taxation;

(d) Draft Convention on judicial assistance in the collection of taxes.

The following passages adopted from the Committee's report give a succinct account of its work :

A question discussed at great length by the Committee was, whether the Conventions should be *collective*, that is, signed by as many States as possible, or whether they should be merely *bilateral*.

It would certainly be desirable that the States should conclude collective conventions, or even a single convention

Miss Annabel Matthews, Attorney, attached to the Board of Inland Revenue, Treasury Department.

Venezuela. — Dr. Federico Alvarez Foo, Professor of Finance in the University of Caracas.

It should be mentioned that, although the members of the Committee were nominated by their respective Governments, they only spoke in their capacity as experts, *i.e.*, in their own name.

embodying all the others. Nevertheless, the Committee did not feel justified in recommending the adoption of this course. In the matter of double taxation in particular, the fiscal systems of the various countries are so fundamentally different that it seems at present practically impossible to draft a collective convention, unless it were worded in such general terms as to be of no practical value. In the matter of tax evasion also, although unanimity would not seem to be unattainable, there is no doubt that the accession of all countries to a single Convention could only be obtained as the result of prolonged and delicate negotiations, while there is no reason to delay the putting into force of bilateral conventions which would immediately satisfy the legitimate interests of the tax-payers as well as those of the Contracting States.

For this reason, the Committee preferred to draw up standard bilateral conventions. If these texts are used by Governments in concluding such conventions, a certain measure of uniformity will be introduced in international fiscal law and, at a later stage of the evolution of that law, a system of general conventions may be established which will make possible the unification and codification of the rules previously laid down.

Double taxation, which affects mainly undertakings and persons who exercise their trade or profession in several countries, or derive their income from countries other than the one in which they reside, imposes on such taxpayers burdens which, in many cases, seem truly excessive, if not intolerable. It tends to paralyse their activity and to discourage initiative and thus constitutes a serious obstacle to the development of international relations and world production.

At the same time, any excessive taxation, by its very burden, brings in its train tax evasion, the nature and grave consequences of which have been emphasised on earlier

occasions; the suppression of double taxation is therefore closely connected with the measures for the systematic prevention or checking of such evasion.

It is for this twofold purpose that efforts will have to be made to secure international co-operation, with a view to making it possible to put a stop to an evil which has become especially acute owing to the increase in the fiscal burdens consequent upon the war; the measures advocated by the experts could not fail to bring about a reduction in, and a better distribution of, such burdens.

A word of explanation should be added in regard to the methods used. The Committee endeavoured to reach complete agreement on all essential points. In view of the diversity of fiscal systems, of the different economic interests and the divergent conceptions, both in regard to theory and to practice, obtaining in the various countries, unanimous agreement could not be reached in regard to all the questions which had to be dealt with. Points on which complete understanding could not be arrived at have been left for negotiation and decision to any States when, in the future, they seek to conclude bilateral treaties. The Committee has striven earnestly to restrict to the utmost possible extent the number of questions thus left open.

In order to arrive at practical results with the least possible delay and at the same time not to exceed its instructions, the Committee refrained from examining in detail several co-related questions of international law, such as the doctrine of reciprocity, the treatment of foreign nationals, and the principle of the most-favoured nation, in their relation to the problem of double taxation.

The Committee is of opinion, however, that these problems should be submitted to a detailed examination from the financial, economic and legal points of view. It considers, moreover, that the fiscal laws throughout the world will

undergo a gradual evolution and that this will, in the future, make it possible to simplify the measures it has recommended and possibly even to unify fiscal legislation.

In order to make *systematic and continuous* international co-operation possible in this field, the Committee suggests that a body should be set up under the auspices of the League of Nations; the powers and duties of this body are explained in detail in the final part of its Report.

8. COUNTERFEITING CURRENCY

On June 5th, 1926, the French Government proposed that the League should undertake the framing of a draft convention for suppressing the crime of counterfeiting currency. This suggestion was approved by the Council on June 10th, 1926, and referred in the first place to the Financial Committee.

The Financial Committee desired to obtain the views of the various banks of issue and send to them a questionnaire. On the basis of the answers received, the Financial Committee, in December 1926, addressed certain provisional recommendations to the Council and suggested that the question should be referred to a special Mixed Committee (1) which

(1) The Committee is composed as follows :

Financial Committee. — Dr. Pospisil, Chairman of the Financial Committee.

Delegates from Banks of Issue :

Banque de France. — M. Collard-Hostingue, Inspector-General of the Banque de France.

Reichsbank. — Dr. Wilhelm Vocke, Financial Councillor, Reichsbank.

Swiss National Bank. — M. Chs. Schnyder de Wartensee, Vice-President of the Board of Management of the Swiss National Bank.

Deputy : M. Schwab, Secretary-General to the Board of Management of the Swiss National Bank.

Argentine National Bank. — M. Juan Carlos Cruz, Chief Advocate of the Argentine National Bank, member of the Directing Board of the University of Buenos Aires, Professor of Commercial Law in the Faculty of Law.

was immediately appointed and prepared a draft convention. This document, together with the commentary of the Comité, was published and submitted to the Governments for their observations with a view to summoning a Conference at which the Convention may be adopted.

The draft Convention consists of 11 Articles. The first article, which is subdivided into 16 paragraphs and, in fact, forms a special part of the Convention, embodies the rules which are recognised and adopted as efficient means to suppress the counterfeiting of money, meaning thereby current paper money, including bank notes, and specie. Paragraphs 1-11 of the Article contain what may be called the provisions of material penal law which the Contracting Parties are prepared to adopt, whilst paragraphs 12-16 contain rules of prosecution and of procedure. The rules of material law are governed by the principle that all actions aiming at the forbidden purpose shall be punished, irrespective of the country in which they are committed, and that no difference shall be made between national and foreign currencies. The rules of prosecution and of procedure provide for the creation of a Central Office in each country, for close collaboration between the various Central Offices and for a simplified transmission of rogatory Commissions.

Experts in Penal Law :

Belgium. — M. Servais, Minister of State, Attorney-General, Court of Appeal, Brussels.

Deputy : M. Cornil, King's Proctor, Professor of Penal Law at the University of Brussels.

Great Britain. — Sir John Fisher Williams, K.C., C.B.E.

Italy. — Commendatore Ugo Aloisi, Councillor to the Court of Appeal of Italy.

Roumania. — M. Vespasian Pella, University Professor.

Authorities responsible for Prosecutions :

Austria. — M. John Schober, Chief of Police, Vienna, former Federal Councillor.

Netherlands. — Baron A. A. van der Feltz, Doctor of Law, Attorney-General, Court of Appeal of Amsterdam, Head of the Netherlands Central Organisation for the Suppression of Counterfeiting.

Deputy : M. K. H. Broekhoff, Inspector-General of Police. Chief Commissioner of Police of the State.

Following the general principle established by the first part of Article 1, all infractions contemplated by the Convention are recognised as cases for extradition (Article 2).

The whole of the Convention is subject to the restriction that it cannot be interpreted as affecting the attitude of any Contracting Party to the general question of penal jurisdiction according to international law (Article 3).

PART II

ECONOMIC WORK

The principles of prudence and the endeavour to give practical value to its work which have guided the Financial Committee in everything it has undertaken have also governed the work of another advisory and technical organ of the Council, *i.e.*, the Economic Committee.

During the past five years this Committee has attempted in various ways to bring about a more equitable treatment of commerce, but before describing this part of the work it will be convenient to deal with the Economic Conference, held in 1927, which is far more important than any other piece of work done under the auspices of the League in the Economic field, and which is likely to give an entirely new direction to its activities.

International Economic Conference

The Conference met from May 4th to 23rd, 1927.

There can be no more adequate account of the Conference than this survey by the President, which is quoted in full.

General Survey and Summary

by M. THEUNIS, President of the Conference

[Speech made at the closing meeting on May 23rd, 1927.]

The deliberations of this Conference have now come to an end, and it remains for me, in this concluding speech, to review the achievement of the last three weeks and attempt to indicate the stage we have reached in dealing with the vast and complex problems which we were asked to discuss. I say "the stage we have reached", for at the outset I think it well to recall, as the Preparatory Committee did in its report, that the "Economic Conference must be regarded not as an isolated event but as a stage in the continuous work of international collaboration in the economic sphere which had begun before the project of a general conference was launched and will continue when the Conference itself is over".

The Conference has met after a long and elaborate preparation extending over a year. It has had at its disposal a documentation which derives its value from the collaboration of distinguished experts and of both official and private organisations throughout the world, and is remarkable alike for its range, its fulness and its authority. I would mention for example the International Chamber of Commerce, whose written and personal contributions—based on previous consultations of national committees in many countries—have throughout been of the greatest assistance. We have also been fortunate in obtaining the help, in every stage of our work, of the International Labour Office, the International Institute of Agriculture and other bodies.

The Conference has been no less notable in its composition : 194 members, attended by 157 experts, drawn from

50 countries in all quarters of the globe, including not only countries which are Members of the League but non-Members, have agreed upon a body of far-reaching recommendations and resolutions.

You have been chosen, with few exceptions, by Governments, though you are not spokesmen of official policy, and your qualifications cover almost every sphere of human activity. The distinctive character of the Conference is thus that it is responsible though not official—expert but not academic. I cannot but believe that resolutions unanimously voted by a membership so widely representative both in qualifications and in nationality must profoundly influence the future economic policy of the world.

Our three weeks of assiduous study and full discussion are now over. We are answerable to our own conscience and to public opinion for the results. Have we accomplished the task assigned to us? I think, ladies and gentlemen, that I am entitled to say that you have achieved a real and a permanent result, and that it goes far beyond the hopes which were cherished when you began your labours.

All who have followed your work with interest throughout the world—and they are many—all those who have realised even imperfectly the serious difficulties and complications with which you were faced, will welcome the achievement and will congratulate you on the combined zeal and common sense to which it is due.

There was indeed a danger—and we can admit it now that we have reached the close of the first stage of our work—that the bold initiative of the League of Nations and the conception on which it was based might involve great difficulties.

It was necessary to clear a way through the thicket and chaos of the problems which hindered the nations of the world in their progress. It was necessary to bring into har-

mony the conflicting policies and desires of many interests and many great movements.

In spite of the efforts to be impartial and to be conciliatory which we are accustomed to expect from representatives meeting at Geneva, there was reason to fear that the diversity of origin and of qualifications might cause friction and opposition—possibly of a violent and unpleasant character.

The danger of confusion and of controversies, which many pessimists considered practically certain, has, thanks to the generous effort at *rapprochement*, not only been avoided but actually eliminated. And after the appeal for solidarity which I ventured to make to you a few weeks ago, I desire to thank you and congratulate you from the bottom of my heart.

Producers, employers and workers, farmers, traders, financiers, economists and consumers, you have, without neglecting the interests which you represent and which you have to defend, constantly borne in mind that we are all members of the same community, working, toiling, suffering together and directing our efforts to a common end.

Each of the three great Commissions—on Commerce, on Industry and on Agriculture—through which the Conference has worked has itself been a real international conference. All of them carried out a thorough examination of their various problems, and their conclusions, even taken separately, are of high value, determining, as they do, first the main causes of the evils from which the world is suffering and, secondly, indicating remedies which can be applied in practice.

By means of their public discussions, the reports submitted to them and the committees which they set up for special problems, the three main Commissions of the Conference have performed work of the highest importance, each part

of which will serve to throw light on the rest and facilitate its comprehension.

If I had to sum up in a few words the most striking feature of the Conference I could not do better than quote a sentence from the Report of the Commerce Commission : "In spite of the variety of the questions raised, the diversity of theories, and the legitimate national sentiments of all those who took part in the discussions, one important and extremely encouraging fact has emerged; and, having emerged, has become increasingly manifest as the work advanced. This fact is the unanimous desire of the members of the Conference to make sure that this Conference shall, in some way, mark the beginning of a new era,, during which international commerce will successively overcome all obstacles in its path that unduly hamper it and resume that general upward movement which is at once a sign of the world's economic health and the necessary condition for the development of civilisation."

I would make one other prefatory remark before I turn to the resolutions.

The Conference, as a world conference composed of those who represent different interests and policies in every quarter of the globe, has considered economic problems in their international aspects and adopted an international point of view. It has recognised the importance, and in certain cases the decisive importance, of national considerations, some of which are political and social rather than economic in character; and it has recognised that it is not possible to secure the adoption of policies and systems determined in every feature by the sole criterion of what would give the maximum prosperity to the world as a whole. Some countries will decide to assure the manufacture in their own territory of certain articles whether or not the purely economic result, for the world as a whole or for the country in question, of

importation from abroad would have been preferable. But, as the starting point and angle of approach to the different problems, the Conference, as an international conference, has felt bound to assume that international trade is itself to be desired; that the exchange of products and services between persons either of the same country or of different countries is normally to the advantage of both parties; that the greater the range of exchange of different products between those who by their resources and capacities are best fitted to produce them, the greater is the general economic advantage; and that international exchange of products best and most economically produced in different countries should therefore be regarded as the normal rule.

There are practical limitations to the application of this principle in policy. But that international trade is normally and properly not a matter of victory and defeat, or profit of one at the expense of the other but of mutual benefit, has necessarily been the basis of this International Conference.

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With this preface let me review our resolutions, following the order of the Agenda.

The first part covers a general review of the world economic position. We have first had written reports from twenty-four nations describing the principal features and problems as seen from the point of view of the respective countries; and these have been supplemented by further similar accounts in the speeches of the Conference. We have next, in the first chapter of our report, given a general picture of the present economic situation as it emerges from the documentation.

Lastly, on this part of the Agenda, we have passed an important resolution stating our unanimous conviction that the maintenance of world peace depends largely upon the

principles on which the economic policies of nations are formed and executed; that the Governments and peoples of all countries should constantly take counsel together as to this aspect of the economic problem; and that we should look forward to the establishment of a recognised body of principles designed to eliminate the economic difficulties which cause friction and misunderstanding. The object of the Conference, as the original Assembly resolution made clear, was a twofold one. It has been concerned not only with the prosperity but with the peace of the world. This has been not only a special item on the Agenda but a point of view which the Assembly wished should be borne in mind throughout the discussion of particular problems. Economic conflicts and divergence of economic interest are perhaps the most serious and the most permanent of all the dangers which are likely to threaten the peace of the world. No machinery for the settlement of international disputes can be relied upon to maintain peace if the economic policies of the world so develop as to create not only deep divergencies of economic interest between different masses of the world's population, but a sense of intolerable injury and injustice. No task is more urgent or more vital than that of securing agreement on certain principles of policy which are necessary in the interests of future peace. And there is perhaps no question which, in comparison with its intrinsic importance, has had so little careful and collective deliberation. No single conference can do more than make a first beginning in such a task, but the ultimate results are incalculable.

There follow several resolutions on subjects not falling under special chapters on the Agenda or dealt with by the three Commissions.

This Conference has again, as the Brussels Conference did in 1920, called attention to the heavy burden of armaments expenditure entailing heavy taxation which reacts upon the whole economic life of the different States and lowers

their standard of living; and expresses the earnest hope that the efforts, by agreements between States, to secure limitation and reduction of armaments will have successful results.

Next comes a resolution in which the Conference states that, while it refrains absolutely from infringing upon political questions, it regards "the participation of members of all the countries present, irrespective of differences in their economic systems, as a happy augury for a pacific commercial co-operation of all nations".

Lastly the Conference recognises that the successful application of the principles on which it has agreed depends "not only upon the good will of Governments and administrations but upon an informed and supporting public opinion throughout the world".

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Let us come now to the second part of the Agenda, which was divided into three main chapters : "Commerce", "Industry", and "Agriculture", each of which has been dealt with by a special commission, whose reports and resolutions have been approved by the whole Conference.

COMMERCE

The fundamental idea on which the work of the Committee on Commerce was based, and which has appeared with increasing force in the course of the discussions, is the necessity of restoring greater freedom to a world hitherto hampered by many obstacles due to the war and its consequences and to erroneous economic ideas. At the same time there has been a recognition of the close interdependence of nations in this sphere and the importance of the reactions which

measures taken by the various countries exert on the policy of the other countries.

In the first chapter of "Commerce", the Conference first makes a number of recommendations, under the general heading "Liberty of Trading"—an expression not to be confounded with "Free Trade" but embracing all measures calculated to liberate international commerce from artificial restrictions and obstructions. The Conference expresses the hope that the diplomatic conference convened at Geneva for November next by the League of Nations will result in the real removal of import and export prohibitions and restrictions. It condemns the granting of special immunities and privileges to State-controlled undertakings which enable them to compete unfairly with private enterprises and, commends and encourages the action now being taken by the Economic Committee for the removal of many impediments to international trade. Lastly, the Conference recommends the preparation of a convention on economic and fiscal treatment of foreigners and foreign enterprises for which valuable information has been furnished by the report of the International Chamber of Commerce.

Customs : Simplification — Stability — Reduction.

The Committee then took up the question of Customs tariffs, distinguishing between their form and their substance, *i. e.*, the actual amount of the import duties. As regards the question of form, the Conference unanimously recognises the desirability of simplifying Customs tariffs as far as possible, creating a systematic Customs nomenclature the use of which would in due course be regularised by international conventions, stabilising Customs tariffs, thereby eliminating a disturbing factor especially harmful to industry and commerce, and finally ensuring the utmost fairness in the application of the duties.

The main object of the work of the Committee has naturally been the questions of Customs tariff levels, which is closely bound up with that of commercial treaties.

The essential conclusion which emerges from the discussion in this field is that the Conference declares that "*the time has come to put an end to the increase in tariffs and to move in the opposite direction*". To achieve this result it is recommended that action should be pursued along the three following lines : firstly, *individual* action by the various States with regard to their own tariffs; secondly, *bilateral* action through the conclusion of suitable commercial treaties; thirdly, *collective* action, by means of an enquiry undertaken by the Economic Organisation of the League of Nations, with a view to encouraging the extension of international trade on an equitable basis by removing or lowering the barriers to international exchange set up by excessive Customs tariffs.

A fact that may be taken as marking a considerable step in the evolution of ideas in Customs tariffs is that this question, notwithstanding its fundamental importance in the economy of each State, has now come to be considered as no longer being exclusively within the domain of national sovereignty but as falling within the scope of problems for which parallel or concerted action among the different nations is possible and desirable. Each nation will then know that the concession it is asked to make will be balanced by corresponding sacrifices on the part of the other nations. As the report of the Committee states, each country will then be able to give its attention to the proposed measures, not merely in view of its own individual position but also because it is interested in the success of the general plan laid down by the Conference.

Round the central idea of the diminution of Customs charges are grouped other questions which support it and tend to hasten its realisation and render it more complete,

Thus the Conference next condemns the practice of penalising imported goods by means of differential internal taxes, and declares that as the free movement of raw materials is essential for a healthy development of world trade, export taxes should be as low as fiscal requirements and exceptional and compelling circumstances permit, and should in any case not be discriminatory.

Finally, the Conference, having in mind the need of restoring the system of long-term commercial treaties, and recognising that any such system must be built up on the mutual grant of unconditional most-favoured-nation treatment, recommends that this important conception should be given the widest and most liberal interpretation.

The Economic Organisation of the League should examine the possibility of securing a standard form of commercial treaty and uniform principles as to the interpretation and scope of the most-favoured-nation clause.

Lastly, the Conference recommends States to consider the desirability of providing in their commercial treaties for the decision of disputed questions of interpretation or application by arbitration or by a reference to the Permanent Court of International Justice.

There are certain indirect means of protecting national trade and national navigation. Although they exercise a less immediate influence on the development of trade than the fundamental problems just described, questions such as the granting of subsidies, dumping and discrimination imposed under the transport regime merited the attention of the Conference. Certain principles were laid down which, without always indicating definite solutions—a very difficult matter owing to the wide variety of opinions held—should help to enlighten public opinion as to the true nature and inevitable consequences of the practices in question.

INDUSTRY

In the report dealing with "Industry" the Conference begins by a brief analysis of the causes of the difficulties with which the industries of principal international importance are at present faced in certain parts of the world.

The Conference took as its central problem the question of how costs could be reduced without injury to the consumer or the worker. With this object it considered : (1) "rationalisation" in its various aspects, and, in this connection, (2) international industrial agreements, and (3) the collection and exchange of information.

The report enumerates in detail the aims of rationalisation, and declares that it must be applied with care so as not to injure the legitimate interests of the workers. It therefore recommends that Governments, public institutions, trade organisations and public opinion, as the case may be, should encourage producers to promote the investigation of the best methods and results of rationalisation and scientific management, and standardisation, not neglecting the smaller undertakings and giving special attention to measures calculated to promote social welfare.

International Industrial Agreements. — The report then turns to the question of industrial agreements, which has recently attracted close attention and on which the discussions at the Conference revealed a certain conflict of views. The Conference has laid down no conclusion of principle on the subject, but recognises the growth of agreements as a development which may be either good or bad according to the spirit in which they are constituted and operated and the measure in which their directors are actuated by a sense of the general interest. Agreements cannot by themselves be regarded as the only remedy for the present causes of economic trouble; but, within limits, they may serve to improve the organisation and reduce the cost of produc-

tion. By checking uneconomic competition and diminishing industrial fluctuations they may make employment more stable while benefiting the consumer. Nevertheless, agreements may involve danger if they encourage monopolistic tendencies and unsound business methods.

The Conference therefore lays it down that agreements ought not to lead to an artificial rise of prices and that they should not restrict the supply to any particular country of raw materials or basic products or, without just cause, create unequal conditions between the finishing industries of consuming and producing countries or other countries similarly placed. Nor should they stereotype the present position of production or the distribution of industries.

No special system of supervision over agreements is recommended, and Governments which adopt measures regulating agreements within their country are advised not to place obstacles in the way of the benefits which such agreements might secure. While the divergencies between the national measures of supervision offer an obstacle to the establishment of an international system, the Conference considers that publicity is one of the most effective means of preventing the growth of abuses and recommends that the League of Nations should follow closely the operations and effects of international agreements and should collect and publish such relevant data as are of general interest.

Lastly the Conference lays special emphasis on the importance of the systematic collection of accurate information both from the point of view of the leaders of industry and of the public. Accurate statistics should be obtained both for the basic world industries and also for the chief industries of each country, so as to render possible the compilation of quantitative indices of industrial production.

The Economic Organisation of the League of Nations should endeavour to promote international agreements with

regard to the terms, methods and scope of industrial statistics employed, and should collate the information provided as to raw materials, production, etc., the International Labour Office dealing with wages, hours, employment, etc.

In addition, the Economic Organisation should arrange for the compilation of general reports, special studies and reviews bearing on industrial development, raw materials and changes in production and trade.

AGRICULTURE.

For the first time, at this Conference, agriculture has been represented side by side with commerce and industry in such a way that it can take its place in a general review of the economic situation of the world. From the documents available at the Conference, it is evident that the dislocation of the prices of agricultural in relation to those of manufactured products is causing a widespread depression in agriculture, which, if some improvement is not achieved, may result in a diminution in agricultural production.

Perhaps the most important outcome of the agricultural discussions is the realisation of the essential interdependence of agriculture, industry and commerce; that, in the words of the report, "it would be vain to hope that one could enjoy lasting prosperity independently of the others".

The Conference considers that the first measures for the improvement of agriculture must be taken by agriculturists themselves—by the general adoption of better technical methods, more scientific organisation, an extension of the international campaign against diseases of plants and animals, and by co-operation and the organisation of credit institutions. With regard to the co-operative movement, the Conference desires to emphasise the importance of direct relations between producer's and consumers' associations.

The credit difficulties in the way of agriculture, still so acutely felt in many countries, can only be surmounted by organising national credit institutions where they do not yet exist or developing already existing institutions, with or without the assistance of the public authorities. The study of the question whether an international organisation capable of increasing the resources available for agricultural credits is or is not a practical proposition is recommended.

In some of the measures mentioned above, private endeavour must be supplemented by Government action. With regard to legislative measures, the Conference recommends the extension of social legislation to the agricultural population, it being understood that special adaptation to the requirements of rural conditions would be necessary.

In agreement with the principles stated in the review of commercial conditions, the Conference lays stress on the desirability of removing hindrances to the free flow of agricultural products in so far as their removal does not endanger the vital interests of the various countries or their workers. Where a minimum of protection is maintained, care should be taken to maintain an equitable balance between industry and agriculture and not to stifle the one to the advantage of the other.

The Conference further recommends the development of agricultural statistics, particularly on the basis of an exact system of farm accounting and with regard to live-stock and animal products; also, that a general enquiry be made into the present situation and the possibilities of developing agriculture, particular attention being given to the development of agriculture among the indigenous populations in colonies.

A special study should be made of the resources and the exploitation of forests in relation to the need for obtaining the regular supplies essential to industry.

In view of the interdependence of agriculture on the one hand and industry and commerce on the other, the Conference requests the League of Nations to ensure that, in the organisations already existing or to be formed for the study of economic questions, agricultural interests shall be represented in proportion to their economic and social importance.

The Conference concluded with a resolution expressing its high appreciation of the work of the Economic Committee and the Secretariat of the League. With regard to the action to be taken on its recommendations, the Conference, while offering no suggestion as to a permanent organisation, thought that it could not do better than draw the Council's attention to the well-balanced composition of the Preparatory Committee, which has yielded excellent results in the preparatory work for the Conference.

CONCLUSIONS.

The eight years of post-war experience have demonstrated the outstanding fact that, except in the actual fields of conflict, the *dislocation* caused by the war was immensely more serious than the actual *destruction*. The main trouble now is neither any material shortage in the resources of nature nor any inadequacy in man's power to exploit them. It is all in one form or another a maladjustment—not an insufficient productive capacity but a series of impediments to the full utilisation of that capacity. The main obstacles to economic revival have been the hindrances opposed to the free flow of labour, capital and goods.

The removal of these obstacles with the twofold object of stimulating production and restoring free channels for trade requires concerted international action. The attainment of the former object lies largely in the hands of producers in promoting by co-operation more scientific methods, such as simplification and standardisation, which eliminate waste.

A necessary preliminary to this process is the collection and periodical publication of information bearing on production and its factors which shall be fuller, more regular, more uniform and better co-ordinated. The second object lies rather within the scope of governmental efforts, inspired and permitted by an enlightened opinion among employers, workers and consumers. This is especially true of Europe. It is essential, as the resolution states, "that nations should take steps forthwith to reverse or diminish those tariff barriers that gravely hamper trade, starting with those which have been imposed to counteract the disturbances arising out of the war". It is essential that a renewed sense of security should mitigate a burden of armaments which is profoundly uneconomic. We have here, and in the erection of tariff walls in order to obtain "self-sufficiency", two of many illustrations of the relation between the problem of economic recovery and of security. It is perhaps particularly true of Europe, but also true of the world in general, that without confidence in the continued peace of the world a prosperity corresponding to the real recovery of productive capacity which has taken place since the war cannot possibly be attained.

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Such, in bare summary, are the results and resolutions of the Conference. They must be studied in the complete text, which alone remains authoritative, to be fully appreciated; and, in particular, the more important recommendations, which can be distinguished by the Table of Contents and the headings, do not admit of adequate summary and need to be read in their complete form.

Now that we have laid down in your resolutions the principles upon which economic policy should be based, we must ask ourselves if our work is finished. Most certainly it is not; I might even say that our work is only begun.

You have completed the first stage of laying down the principles; and in doing so you have been inspired by the great and fruitful idea of the interdependence of nations, and of the interdependence of the groups of which nations are composed. At every stage in your discussions and on every page of your reports, the solidarity of mankind has appeared more obvious and more significant. You have striven to make it easier for the masses to improve the material, and therefore the moral, conditions of their life. But your work cannot prove effective unless the peoples of the world themselves give to your recommendations the support of their interest and of their power. If we are not supported by all those for whom we have been working, our endeavours will be unavailing. Public opinion as a whole must understand not only the intrinsic importance of your work, but also, and above all, it must realise its strength, its utility and the vital importance which it must have for its well-being.

We have worked loyally together to secure economic peace, on which, indeed, political peace depends. This Conference is an assembly of persons who have been brought into touch with realities—always harsh and often disappointing—but with realities in which truth, sooner or later, always prevails. Our advice and recommendations will in all probability not be followed immediately on the scale we would desire. Great movements frequently experience many difficulties at the outset. But we are convinced that our work is based on true principles and on the determination to ensure to the best of our power both the peace and the prosperity of the world. In coming here to Geneva in response to the appeal of the League of Nations, which truly interpreted the ardent desire for peace and reform cherished by all nations, we desired to undertake a beneficent task. To-day we have completed the first stage, and we may well be proud of what we have done. But we must not forget that our success will depend on the measure of our perseverance.

And I venture here to make an urgent and solemn appeal to all those—members and experts—who have co-operated in our work and taken part in the Conference. By contributing to the framing and adoption of our recommendations, we have assumed a real moral obligation to disseminate, to defend and to secure the triumph of the truths which we have formally proclaimed. They will win their way gradually, no doubt, and partially, but they will ultimately prevail. When we resume our everyday duties, we must endeavour constantly to devote to these truths a part of our thoughts and efforts.

After the terrible calamity experienced by Europe, the results of which have been felt throughout the whole world, we cannot expect that order will be restored as if by enchantment. But whether the fruits of our labours are gathered by ourselves or by those who succeed us, we are animated by the firm determination to unite our efforts to those of friends who share our hopes, our enthusiasm and our ideals. We know that the time will come when mankind will be the happier for our work. And that alone, ladies and gentlemen, will enable us to be proud of what we have done.

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For the execution of the work (studies and enquiries, preparation of conferences and conventions) which it entrusted to the League, the Economic Conference recommended that a special organisation should be constituted.

In September, 1927, the Assembly invited the Council to constitute an Economic Organisation on which would be represented the various interests and organisations which had collaborated in the preparation of the Conference. The Council decided to re-organise the Economic Committee and to constitute a Consultative Economic Committee.

The work of the Economic Committee will lie within the sphere of the economic relations between States and their economic policies so far as they have international aspects. It will comprise fifteen members of different nationalities, appointed by the Council in their personal capacity and on the grounds of their economic qualifications for a period of three years. They do not represent their Governments. At the end of their term of office, retiring members, unless succeeded by members of the same nationality, become corresponding members of the Committee.

The composition of the Consultative Committee is modelled on that of the Preparatory Committee for the Economic Conference as regards the balance of the various interests represented. It includes qualified experts on industry, commerce, agriculture, finance, labour and questions affecting consumers.

It was first of all decided to appoint thirty-five members, but in order to secure well-balanced representation for all elements in proportion to their importance in economic life, and likewise for the various countries, the Council raised this figure to fifty-two, including three members nominated by the International Labour Office, five members representing the Economic Committee, two members representing the International Chamber of Commerce, one member representing the Financial Committee and one member representing the International Institute of Agriculture.

The Consultative Committee includes nationals of Australia, Austria, Belgium, Great Britain, Canada, Chile, China, Colombia, Czechoslovakia, Denmark, Finland, France, Germany, Greece, Hungary, India, Italy, Japan, Luxemburg, the Netherlands, Poland, Portugal, Roumania, the Serb-Croat-Slovene Kingdom, Spain, Sweden, Switzerland, and the United States of America. It numbers among its members the Presidents of the International Institute of

Agriculture and the International Chamber of Commerce.

The Council further set up a preparatory committee composed of the Chairman of the Consultative Committee, M. Theunis, and the Vice-Chairman, M. Loucheur, M. Colijn and Sir Atul Chatterjee.

Work of the Economic Committee

The Members of the League undertake, in virtue of Article 23 (e) of the Covenant, to establish and maintain equitable treatment of commerce among themselves.

The Council therefore in the first instance directed the Economic Committee, in September 1921, to "consider and report upon the meaning and scope of the provision relating to the equitable treatment of commerce contained in Article 23 (e) of the Covenant".

This involved a twofold task, viz. :

(a) To study the scope, *i.e.*, the various forms of commercial activity in respect of which the League is empowered to take action under Article 23 (e) of the Covenant; and

(b) To define the meaning of the general term "equitable treatment".

The Committee, after having investigated how far there was reasonable prospect of obtaining a general agreement among the Members of the League on these two points, came to the conclusion that there was no possibility of obtaining an international convention which would cover the whole problem.

It considered, therefore, that its work should be essentially practical.

It decided that the best method of achieving satisfactory results was to examine various kinds of practices which clearly violate the broad principle of equitable treatment.

It grouped them under the following headings :

1. Encouragement or toleration of unfair competition by means of fraudulent trade practices (such as false trade-marks and descriptions) to the detriment of legitimate trade.

2. Unjust or oppressive treatment by any State Member of the League, in fiscal or other matters, of foreign nationals, firms and companies duly admitted to exercise their commerce, industry or trade in the territory of another State.

3. Excessive, unnecessary, arbitrary or unjust Customs formalities and similar practices which are prejudicial to the commerce of other Members of the League.

4. Unjust discrimination against the commerce of any Member of the League in such matters as the treatment accorded to goods and vessels.

I. UNFAIR COMPETITION.

Under the term "Unfair Competition" may be included practices whereby trade-marks or indications of geographical or commercial origin are improperly used, or whereby goods are falsely described. Hitherto such practices have been regulated by the International Convention of Paris, 1883, for the Protection of Industrial Property, which was amended at Brussels in 1901 and at Washington in 1911. Under the amended Convention, the contracting States undertake to ensure protection against unfair competition to members of the union. This undertaking, as embodied in the convention, is vague and general and contains no provision for international jurisdiction to enforce it and no detailed particulars of the precise character of the practices at which it is aimed.

Another Convention, known as the Madrid Arrangement, for the Prevention of False Indications of Origin on Goods,

also amended at Washington in 1911, only embraces ten States, excluding some of the most important.

The Economic Committee took the view that the protection against unfair competition given by the Paris Convention was inadequate for two reasons :

- (a) That not all States are parties;
- (b) That the provisions of Article 10 *bis* relating to unfair competition are defective in not clearly defining the kinds of unfair competition against which they are aimed and the procedure for obtaining redress.

In order to ensure better protection against unfair competition, the Economic Committee considered it desirable :

- (a) That the membership of the Industrial Property Union should be extended to all States of any importance;
- (b) That the provisions of the Convention, as far as they relate to unfair competition, should be amended and supplemented.

At the Committee's suggestion, the Council sent a strong recommendation to all States Members, urging them to adhere to the Industrial Property Convention.

The Economic Committee also prepared a draft of certain provisions regarding unfair competition to serve as a basis and destined for the amendment of the Industrial Property Convention and to form part of the programme for a conference.

This Conference was held in October 1925 at The Hague, under the auspices of the Industrial Property Union; it was with a view to this conference that the Economic Committee sought to draw up proposals for the amendment of the text of the Industrial Property Convention.

The proposals were submitted to all States Members of the League for their consideration. The proposals aimed at: (a) affording really effective remedies to persons aggrieved by unfair competition; (b) defining the classes of unfair practices including, amongst other things, the improper use of trade-marks and names and false indications of origin, written misdescriptions, etc.; (c) dealing with the abuses caused by improper registration of foreign-owned trade-marks, etc., and enabling such marks if already improperly registered to be removed from the register.

Twenty-five States sent their observations and suggestions. The Japanese Government then asked that an international meeting of Government experts should be called by the League for the consideration of the draft articles. This meeting took place in May 1924. Twenty-two experts from as many different countries attended the meeting in a personal capacity. They adopted in their broad outlines the Economic Committee's proposals, consisting in amendments to several articles of the Convention and some additional articles to be inserted therein. At the request of the Council, the Committee's proposals were communicated to all the Members of the League and to the Members of the Union.

Two members of the Committee, invited by the Netherlands Government, which had convened the conference, took part in it in an advisory capacity.

A comparative study of the proposals put forward by the Economic Committee and of the amendments and additions to the text of the Convention adopted by the Conference at The Hague would go beyond the scope of the present pamphlet. A comparison between the original text and that subsequently adopted clearly shows the importance of the results obtained and the very large extent to which the Committee's proposals were embodied in the texts adopted at The Hague.

2. TREATMENT OF FOREIGN NATIONALS AND ENTERPRISES.

The unjust or oppressive treatment by any Member of the League of persons, firms and companies of any Member carrying on business, whether commercial, industrial, financial or insurance, within its territory, also constitutes a violation of the principle of the equitable treatment of commerce laid down by the Covenant.

The Committee found it impracticable, in the present political and economic condition of the world, to formulate any general rule applicable to the conditions of admission of foreigners which could be recommended for adoption without such important and numerous exceptions as to deprive the rule of all practical value. It has therefore confined its study exclusively to the regime applicable to foreign persons or organisations which have been duly admitted by law to carry on their occupation within the territory of a State.

The Committee endeavoured to formulate principles which should be observed in the treatment of foreign persons and companies with a view to protecting them from arbitrary fiscal treatment and unjust discrimination. It embodied these principles in a series of recommendations which the Council of the League has submitted to all States Members of the League, with a recommendation that the States should be guided by these principles, both in their internal legislation and their international agreements.

These are as follows :

“The Council of the League of Nations, considering that the grant of the legal, administrative, fiscal and judicial guarantees necessary for nationals, firms or companies of any States Members of the League, who are permitted to carry on their commerce, in-

dustry, or any other occupation within the territory of another State Member of the League, or to establish themselves there, was one of the requirements of economic co-operation between nations,

“Recommended to all the States Members of the League the following principles, which they should seek to put into practice both by the adaptation of their national legislation to this end and by the conclusion of bilateral agreements.

“1. In the case of persons, firms, or commercial, industrial, financial or insurance companies permitted to establish themselves within the territory of another State in conformity with its laws and regulations, the granting of the treatment accorded to nationals in fiscal matters should be maintained as an absolute rule. Such persons, firms, or commercial, industrial, financial or insurance companies should in no case be subjected as regards their goods, industry, commerce or any other form of economic activity, to general or local taxes, or to duties of any kind whatever, different from or higher than those which are imposed on the nationals of the State concerned, subject to special exceptions which could only be justified by requirements of the public interest and which should be applicable to all nationalities without distinction.

“2. If in any case a person, firm or company is admitted to carry on an industry, commerce or any other occupation in a country without being established in that country, the treatment in fiscal matters of such person, firm or company should not be such as to place them in a position of inferiority as compared with nationals subject only to the exception mentioned in the preceding article.

"3. Where a foreign business established in the territory of a State is a branch of, or subsidiary to, a business of which the seat of control is in another State, the principle to be followed as regards the taxation of the business should be that taxes imposed in the country in which the foreign business is so established should be strictly limited, if levied on capital, to the capital really invested in that country, and, if levied on profits or revenues, to those arising from the business activities carried on in that country.

"4. Foreign persons, firms or companies permitted to establish themselves within the territory of any of the States Members of the League should be entirely free to acquire and to possess property of all kinds, whether real or personal, which is necessary for their economic activities and which the laws of the foreign State in question permit or may thereafter permit to the nationals of another State to acquire and to possess.

"5. Such persons, firms or companies should be able to dispose of their real or personal property referred to in the preceding article, especially with regard to cession, exchange, gift, or legacy in accordance with the regime accorded to nationals, applicable without modification or restrictions of any kind.

"6. The fiscal regime applicable to the export of the product of the sale of real and personal property by the said persons, firms or companies, and the regulations with regard to the foreign currency acquired as a result of such exportations, should not differ according to the nationality of the exporter.

"7. Persons, firms or companies permitted to establish themselves within the territory of a State Member of the League should be entitled, in defence of their

rights, to bring an action, either as plaintiff or as defendant, in accordance with the laws of the State in question.

"8. The above provisions shall be applicable subject to just reciprocity and without prejudice to any further facilities which, by virtue of the powers conferred upon them by their systems of law, certain States might grant to each other without thereby injuring the interests of third States or of their nationals.

"9. It is agreed that nothing in the present articles requires a State to grant their benefit to a company of which it can be proved that the financial control is in the hands of the nationals of a State which has not accepted the present recommendations, or of which the seat of control is situated in the territory of such a State.

"10. While the principles of equitable treatment embodied in the present articles should be universally observed throughout the territories placed under the sovereignty or authority of States Members of the League, it is recognised that there may be special cases of overseas colonies, protectorates or territories under mandate in which it is impracticable to apply some of the detailed provisions of these articles or in which they can only be applied subject to modifications necessary to adapt them to special and local circumstances.

"In the cases referred to, the States concerned will apply a regime which will respect the principles of the present articles."

The Economic Committee next considered the conditions on which foreigners legally domiciled in a country are or should be admitted to carry on a profession or occupation.

In this matter certain conclusions were also reached which are summarised in the following recommendations in a circumstantial report addressed to the Council and adopted by the latter in June 1925 :

“(a) The general rule for ordinary open professions, industries and occupations should be mutual national treatment, with or without the condition of reciprocity.

“(b) In professions, industries or occupations, the carrying on of which is dependent on compliance with a prescribed standard of qualification or of training, it is desirable that States should, so far as practicable, make arrangements by bilateral agreements or otherwise for the mutual recognition of such standards.

“(c) The number of professions, industries and occupations into which the entry of foreigners is restricted on the ground of national interests should be limited to the essential minimum required by these interests.

“(d) The restrictions placed on foreigners with regard to carrying on professions, industries and occupations of this class should be similarly limited to those which are *bona fide* necessary for the protection of national interests.

“(e) In applying such restrictions, there should be no arbitrary or unjust discriminations between foreigners on the ground of nationality.

“(f) If and when a State finds it necessary to restrict the carrying on of an occupation to persons holding a special contract or licence, the right to tender for such contract, or to obtain a licence on fulfilling the prescribed conditions, should only be restricted to nationals of the State where such restriction is

considered necessary to protect essential State interests, and that, where such restriction to its own nationals is not enforced, there should be no arbitrary and unfair discrimination as between the nationals of different foreign States.

“(g) Except in so far as the right of foreigners to reside or travel in certain exceptional areas (*e.g.*, in the neighbourhood of forts, etc.) may be restricted in the national interest, the general rule should be that foreigners duly admitted into a country should be accorded the same freedom of travel and residence as is enjoyed by nationals, subject always to compliance with the national laws with regard to the registration of foreigners, notification of change of address, etc.

“(h) If as a result of the special conditions obtaining in certain countries, and particularly in overseas territories placed under the sovereignty or authority of other countries, the above rules cannot be applied, such countries should still be governed by these principles in ensuring equitable treatment to foreign nationals in this respect.”

This second series of recommendations was communicated to the Members of the League by a decision of the Council. The International Chamber of Commerce also prepared a preliminary draft international convention on the subject. The draft and the two series of “recommendations” were considered by the Economic Conference of May 1927, which recommended that an International Conference should be held with the object of settling the matter by a convention embracing as many countries as possible. The Economic Committee in conjunction with the Secretariat immediately began the necessary preparations, such as collecting all useful information with such assistance as appeared most appropriate.

3. CUSTOMS FORMALITIES.

The Economic Committee examined in detail another class of abuses due to the maintenance of excessive, unnecessary, arbitrary and unfair Customs formalities and practices. Practices of this kind, which injure and place unjustified impediments in the way of international trade, are of course a violation of the principle of equitable treatment laid down in Article 23 (e) of the Covenant. The Committee avoided all questions bearing on the Customs and tariff policy of States and desired that the parties directly interested, namely, the Customs administration and the business world, should be consulted before any definite proposals were submitted to an international conference.

The preliminary work consisted in selecting from among the numerous problems connected with Customs formalities the main questions which could profitably be discussed at an international assembly of delegates of admitted authority and experience.

A first draft was submitted to the Governments for consideration, and most of them gave their opinions and offered suggestions on the subject. The draft was then twice examined from a technical point of view at Geneva, in 1923, by two groups of distinguished officials drawn from the Customs administrations of seventeen countries. The International Chamber of Commerce, representing the business world, also discussed and approved the draft at the Rome Congress in March 1923.

The final programme submitted by the Economic Committee to the International Conference held at Geneva thus already represented the result of long and diligent preparation.

The Conference met at Geneva on October 15th, 1923. Thirty-five countries sent their official representatives fur-

nished with the necessary powers to draw up and sign an international convention. A delegation from the International Chamber of Commerce was also present in an advisory capacity.

The Convention which resulted bears the date of November 3rd, 1923, and was forthwith signed by twenty-one States.

Up to the end of November 1927, the Convention has been ratified by 27 States, viz.

Australia, Austria, Belgium, Bulgaria, China, Czechoslovakia, Denmark, Egypt, France, Germany, Great Britain, Greece, Hungary, India, Italy, Luxemburg, French Protectorate of Morocco, The Netherlands, New Zealand, Norway, Persia, Roumania, Siam, South Africa, Sweden, Switzerland, Regency of Tunis (French Protectorate).

The Convention may be summarised in five words : Publicity, simplicity, expedition, equality and redress.

Publicity. The Customs regulations should be published in a simple and accessible form, and, further, any changes that are made in tariffs or in formalities shall be published at the earliest possible moment so that traders and others shall be immediately in a position to ascertain any changes that are made, or additional charges that are imposed.

Simplicity, that is, simplicity in Customs rules and procedure, so that prohibitions, restrictions and formalities should be reduced to a minimum.

Expedition. Such Customs rules and procedure as have to be imposed should cause as little delay as possible to the rapid passage of goods—and of passengers—from one country to another.

Equality. Apart from tariff policy, the formalities themselves shall not be utilised for the purpose of imposing any arbitrary or discriminating burden or restriction.

Redress. The Contracting States undertake to take appropriate measures to ensure redress by means of administrative, judicial or arbitral procedure in case of alleged abuse.

The Contracting States bind themselves to reduce as soon as possible their import and export prohibitions and restrictions to the smallest possible number, and, in those cases where the system of import and export licences is maintained, to observe the principles referred to above.

Further, several provisions aim at the introduction of greater facilities for commercial travellers. Thus, contracting States agree to consider as sufficient for the future identification of samples the marks affixed by the Customs authorities of other contracting States. Samples need not necessarily leave a country through the same Customs office as they enter. Unaccompanied samples will enjoy the same treatment as those accompanied by commercial travellers. Identity cards for commercial travellers will be uniform in all contracting States. Only in exceptional circumstances will consular visas be required. The cost of an eventual visa will not exceed the cost of the service.

Another article of the Convention, dealing with certificates of origin, is of considerable importance. Loud complaints, which in many instances are seconded by the Customs administrations themselves, are raised by business circles against certificates of origin and are chiefly directed against the cumbersome and arbitrary formalities which have to be complied with. They vary in different countries, undergo constant changes and are even in some cases used as a means of discrimination. Therefore, after adopting a general rule binding the contracting States to reduce to a minimum the number of cases in which these certificates are required, the Conference agreed upon a series of provisions having for their object the suppression of at least some of the abuses which constitute obstacles to international commerce. Thus, to

mention merely the more important of these provisions : the formalities and procedure connected with the issue and acceptance of certificates of origin shall be simplified and brought to the notice of the public in an adequate manner. The right to issue certificates of origin shall be extended to certain organisations. In the case of goods not imported directly from the country of origin, the country through whose territory these goods are forwarded shall have the right to issue certificates of origin. Consular visas for certificates of origin shall not in principle be required, and, if required, the cost of the visa shall not exceed the cost of issue.

The Conference also adopted a series of recommendations regarding the simplification of the formalities relating to the passage of goods through the Customs, the examination of travellers' luggage, the system of goods in bond and warehousing charges; the participating States agreed to give favourable consideration to these recommendations and considered the convening of a new Conference for this purpose.

This bare enumeration, summary as it is, of the principal provisions in the Geneva Convention shows that its title does not exactly correspond with the tenor of its clauses and that it contains certain or possible remedies for situations of fact which the business world, through the intermediary, more particularly, of the International Chamber of Commerce, has signalised as constituting very serious obstacles to the normal exchange of goods.

For this reason the Economic Committee has used every opportunity to urge the necessity of further ratifications to this Convention, which seems suited to form the basis of future progress in international commercial relations.

Further, it has noted with satisfaction that the Geneva Convention is being indirectly applied through the use made of some of its provisions in an increasing number of commercial treaties. In several cases certain questions are settled

by a mere reference to the Convention, which is thus tending to become established as recognised doctrine.

Contrary to the majority of conventions, which usually contain concrete and well-defined undertakings, the Geneva Convention contains, along with stipulations of this kind, certain general obligations not strictly defined and which led the Conference responsible for the Convention to include in the latter a provision whereby the contracting States undertake to furnish a periodical summary of measures adopted by them in order to ensure the simplification of Customs formalities. These summaries are forwarded to the Secretariat and carefully examined by the Economic Committee, which then reports upon them to the Council.

Up to the present 15 Governments have sent in reports to the Secretariat. These reports have been examined by the Economic Committee and reveal, to quote the report submitted by the Committee to the Council in March 1927 "the striking progress which has been made under the influence of the Convention both as regards the clauses which have a binding character and those which are merely in the nature of recommendations. The information thus obtained justifies the Committee in stating that the Geneva Convention has been attended with the most fortunate results".

4. UNJUST DISCRIMINATION AS REGARDS THE TREATMENT OF GOODS IN VESSELS.

The Economic Committee considered this matter at one of its sessions in 1922 and fully realised the desirability of the earliest and most general application of this essential principle. It gave special consideration to the question in the light of the recommendations of the Genoa Conference of 1922. In view of the wide divergences of opinion between the different States as to the fundamental principles of tariffs and commercial policy and the importance which many of

these States attached to preserving their full autonomy in such matters, and also in view of the instability of economic conditions and the disorganisation of the exchanges which existed at that time, the Committee was not able to arrive at any generally acceptable principles which might usefully form the programme or an international conference or which might have been recommended to the States for adoption. In these circumstances the Committee had to limit itself to expressing the earnest hope that the principles embodied in the Genoa resolutions would receive the widest possible application.

5. IMPORT AND EXPORT PROHIBITIONS AND RESTRICTIONS.

The study of this question by the Economic Committee is based upon a resolution by the Assembly of the League of Nations dated September 25th, 1924. This resolution was adopted on the proposal of the Italian delegation, which was inspired by the undertaking incumbent upon the contracting parties of the Geneva Convention of 1923 in virtue of Article 3, which stipulates that these parties will adopt and apply, "as soon as circumstances permit, all measures calculated to reduce such prohibitions and restrictions to the smallest number".

By a decision of the Council of March 1927, an international diplomatic conference was called to Geneva on October 17th, 1927 to consider the draft of a convention drawn up by the Economic Committee. All States Members of the League and the most important States non-Members were invited to send representatives to this Conference.

The Conference sat from October 17th to November 8th and was presided over by M. Colijn, former Prime Minister of the Netherlands, who last May acted as chairman of the Commerce Committee of the Economic Conference. By this appointment, the Council marked its appreciation of the importance of the Diplomatic Conference as a first step

towards the application of the recommendations of the Economic Conference.

Thirty-four States were represented, namely, Australia, Austria, Belgium, Great Britain, Bulgaria, Canada, Chile, China, Colombia, Cuba, Czechoslovakia, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, India, The Irish Free State, Italy, Japan, Latvia, Luxemburg, Netherlands, Poland, Portugal, Roumania, the Serb-Croat-Slovene Kingdom, Siam, Sweden, Switzerland, Turkey, the United States.

The delegates included numerous senior officials habitually concerned with the negotiation of Commercial Treaties.

A delegation from the International Chamber of Commerce attended in an advisory capacity.

The Conference adopted a Convention in virtue of which the contracting parties undertake, within a period of six months after the coming into force of the Convention, and subject to certain duly specified exceptions, to abolish all existing import and export prohibitions and restrictions and not to impose new ones.

Certain rules are laid down as regards such prohibitions as may be considered as exceptions. A procedure of conciliation, arbitration or judicial settlement is provided in the case of disputes concerning the interpretation and application of the Convention. Conditions for the coming into force of the Convention have been carefully arranged to secure a maximum number of adhesions with a minimum of reservations to the principle of the general abolition of prohibitions. This procedure enables States in a special situation to make reservations after signing the Convention, with a view to the temporary maintenance of certain prohibitions; it provides for a meeting of the signatories next June or July to examine the situation in the light of the various reservations, the number of accessions and their geographical

distribution. The Convention may be denounced at the end of three years, if the temporary exceptions allowed have not been brought to an end.

In the preliminary draft drawn up by the Economic Committee, which served as a basis of discussion for the Conference, account had been taken of the necessity of maintaining certain prohibitions whose suppression did not, for certain special reasons, seem desirable. To this end, the draft provided for a series of exceptions based upon non-economic considerations such as national defence, public order and safety, the protection of animals and plants against disease, the protection of artistic property, the necessity of continuing to apply certain national laws or international conventions, the protection of State monopolies, etc.

The draft also provided a kind of safety-valve, in the form of a clause enabling Contracting States to re-establish prohibitions in extraordinary or abnormal circumstances (catastrophes, etc.).

There were protracted debates on this subject. From the very outset there were two currents of opinion, one in favour of limiting as far as possible the number of exceptions with a view to the general abolition of prohibitions; the other, that if too much were required, certain States would not be able to accede to the Convention. The question was to find a compromise, that is, to make the Convention as stringent as possible, while enabling the greatest possible number of States to adhere.

The Conference solved the difficult problem by a procedure which seems complicated, but should be effective. In the first place, it amended the articles of the draft Convention concerning exceptions, both in normal and abnormal circumstances and based upon non-economic grounds. The wording was made more precise so as to leave no loop-hole.

An additional article was drawn up enabling Parties to make reservations in regard to certain temporary exceptions, with the agreement of the other Contracting Parties; these exceptions concern prohibitions which States consider it impossible to abolish at once, but which they undertake to suppress as soon as the circumstances from which they arise no longer exist; and certain prohibitions which it would be difficult to abolish and which do not affect prejudicially the trade of other countries.

Certain reservations of this kind were made before the conclusion of the Convention and were examined by the Conference so as to make sure that there were no exceptions to the principle thus established (1).

Others may be communicated after the signature, but before February 1st, 1928, when Governments will have sufficient time to study the Convention. These will be examined when the signatories meet between June 15th and July 18th.

At this meeting the situation will be examined in the light of the reservations, and the number, kind and conditions of the signatures received. The conditions of the entry into force of the Convention and the time-limit for the deposit of ratifications will be determined.

It is also provided that in three or five years (according to the reservations) after signing the Convention, any Signatory may denounce it, should it consider that certain temporary exceptions have been unduly prolonged. Moreover, any Contracting Party can denounce the Convention five years after its entry in force. Finally, if, as a result of such denunciations, the conditions governing the coming into force of the Convention should cease to exist, a fresh Conference may be convened to examine whether the Con-

(1) In one case, that of the export of Roumanian oil, the Conference agreed not to insist upon the maintenance of the principle, owing to special circumstances.

vention should, nevertheless, remain in force between States which have ratified it.

* *

This procedure merits special attention as it is one of the essential factors of the work of the Conference.

To sum up, it comprises reservations approved before signature; the possibility of making further reservations before February 1st, 1928; examination of the latter at a meeting of Signatories between June 15th and July 15th; the determination at that meeting of the conditions for the coming into force of the Convention and of the time-limit for the deposit of ratifications; the abolition, six months after the coming into force of the Convention, of all prohibitions the maintenance of which has not been agreed to; the possibility of denouncing the Convention three years after the signature, if temporary exceptions are unduly prolonged; the possibility of denouncing it five years after signature, for certain prohibitions; the possibility of convening a fresh Conference should the denunciations affect the general scope of the Convention.

The system was adopted in order to enable the greatest possible number of States to accede to the Convention and to enable the abolition of various prohibitions to take place without difficulty while leaving time for the measures which certain interested Parties will have to take. Thanks to this machinery, the Conference hopes—if there are sufficient accessions—that all prohibitions and restrictions which are not considered justified will gradually disappear and that in five years pre-war conditions will virtually have been re-established.

* *

To complete this analysis of the principal results of the Conference, two further points must be mentioned :

The first concerns the procedure of conciliation and arbitration provided for the friendly settlement of disputes regarding the interpretation and application of the Convention, reference being contemplated to a technical League body (to be appointed by the Council) or to arbitral and judicial procedure. Legal disputes will be referred to the Permanent Court of International Justice or to an arbitral tribunal, should one of the parties so request. This procedure may also be extended to disputes of a non-legal character.

There were exhaustive debates on these clauses, as compulsory arbitration is entirely new in this connection and the Conference wished to gain some idea as to its possible consequences.

The second point worthy of note concerns import and export restrictions to protect animals or plants against disease. While recognising that sanitary or veterinary measures might legitimately be applied, the Conference endeavoured to prevent such measures from becoming a disguised form of protection. For this reason it recommended the Council to cause studies, enquiries and consultations to be organised with a view to the convocation of one or more conferences of experts to seek means of determining what measures had proved effective against animal and plant disease and of adjusting them strictly to risks of infection.

These various provisions are embodied in a Convention, Additional Protocol, Final Act and Annex. The last mentioned document contains the reservations made by certain States together with their reasons.

The Convention was signed on November 8th 1927 by the following States :

Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Egypt, Finland, France, Germany, Great Britain and North-

ern Ireland, Hungary, Italy, Japan, Luxemburg, The Netherlands, Roumania, Siam, Switzerland.

It has since been signed by Sweden.

This brings the number of signatures on December 6th 1927 up to 19.

6. TARIFFS AND COMMERCIAL TREATIES.

The International Economic Conference of May 1927 recommended :

That nations should take steps forthwith to remove or diminish those tariff barriers that gravely hamper trade, starting with those which have been imposed to counteract the effects of disturbances arising out of the war.

It further recommended that the lowering of tariffs should be effected in three ways :

(1) Individual removal or diminution by nations of tariff barriers, starting with duties which have been imposed to counteract the effects of temporary disturbances arising out of the war;

(2) Bilateral commercial treaties between States;

(3) The Economic Organisation should examine, on the basis of the principles laid down by the Conference, "the possibility of further action by the respective States with a view to promoting the equitable treatment of commerce by eliminating or reducing the obstructions which excessive customs tariffs offer to international trade".

The Conference further invited the League of Nations to examine the possibility of establishing definite and uniform principles concerning the most-favoured-nation clause, and a common basis for commercial treaties. For this purpose

the Economic Organisation should undertake all the necessary discussions, consultations and enquiries to enable it to propose the measures best calculated to secure either identical tariff systems for *European* countries or, at least, a common basis for commercial treaties, as well as the establishment for *all* countries of clearly defined and uniform principles as to the interpretation and scope of the most-favoured-nation clause in regard to customs duties and other charges.

The last Assembly having taken note of the Report of the Conference expressed the desire "that the Economic Organisation of the League should take these recommendations as the basis of its work".

The question having been referred to the Economic Committee, the latter decided to collect information as to the situation in various countries as regards tariffs and commercial treaties so as to be able to judge, on the basis of this information, at what moment and under what conditions fresh steps could be taken towards common policy.

7. COMMERCIAL ARBITRATION

The question of arbitration in connection with disputes arising out of the execution of commercial contracts, and particularly the question of the value of arbitration clauses voluntarily included in commercial contracts between persons of different nationalities, has in recent years aroused increasing interest in Europe and in America. It is generally recognised that arbitration clauses possess considerable practical value and afford a means of avoiding litigation and loss of time and money; they have also proved an incentive to commercial integrity. The Economic Committee accordingly considered that an effort should be made to remove the obstacles to the general recognition of the validity of these clauses.

In July 1922, the Committee summoned in London a meeting of a Committee of Experts on legal and commercial questions. It was composed of six members (1), and was asked "to study the effect of agreements between residents in different countries to submit to arbitration disputes arising under commercial contracts; to examine any obstacles to the operation of these agreements arising out of the exercise of jurisdiction by the national Courts in matters within the scope of the agreements, and to consider how far such obstacles can be removed or restricted, and lastly, to consult, when pursuing their work, such organisations and persons as may seem desirable".

The Committee of Experts, in its report to the Economic Committee, made the following definite recommendations :

"If two parties of different nationalities agree to refer disputes that may arise between them in a named country, an action brought by either party in any country other than that agreed upon as the place for arbitration ought to be stayed by the Court of the country in which it is brought, provided that : (a) the Court is satisfied that the other party is and has been ready and willing to do all things necessary to carry out the arbitration agreed upon; and (b) that the same Court is satisfied, either by a certificate of the Court of the country in which it has been agreed to arbitrate or by diplomatic methods, that the law of the latter country recognises and will make effective the arbitration agreement."

The Economic Committee fully endorsed the views of the Committee of Experts and considered that measures should be taken to compel merchants who have adhered

(1) Mr. F. D. Mackinnon, Chairman (Great Britain), M. Ernst Meyer (Denmark), Professor G. Gidel (France), M. Kan-ichi-Kajama (Japan), Dr. J. Novak (Czechoslovakia) and Dr. M. Friedelberg (Germany).

to an arbitration clause to respect and comply with it. For this purpose it would be necessary to remove from the laws of the different countries anything that would allow merchants to break their engagements or that would justify them in having done so.

The Committee was also of opinion that those States Members of the League whose legislation or legal practice is still adverse to commercial arbitration agreements should endeavour to introduce as soon as possible measures to apply the above recommendation.

Later on, the Committee considered what other measures could be taken to produce practical results. In January 1923 it submitted to the Council a concrete proposal in the form of draft articles of a protocol. These were carefully examined by a Committee of Jurists and a revised text was communicated to the Governments, was reconsidered by the Second Committee of the Fourth Assembly, and adopted by the Assembly in its final form on September 24th, 1923, from which date the Protocol was open for signature at the League Secretariat.

The sole aim of this Protocol is to make it impossible in future for the legislation and jurisprudence of the contracting States to stand in the way of the efficacy of arbitration agreements, between parties living in different contracting States, even when the arbitration takes place in a country other than those to whose jurisdiction the parties to the contract are subject. Each contracting State reserves the right to limit this obligation to contracts which are considered as commercial under its national law (Article 1). The contracting States are thus placed under a twofold obligation, namely :

1. They must ensure the execution by their authorities, and in accordance with the provisions of their national laws, of arbitral awards made in their own territory (Article 3);

2. When their tribunals are seized of a dispute regarding a contract including an arbitration agreement under the terms of Article 1 and capable of being carried into effect, these tribunals must refer the parties, on the application of either of them, to the decision of the arbitrators (Article 4). This reference, however, will "not prejudice the competence of the judicial tribunals in case the agreement or the arbitration cannot proceed or becomes inoperative".

According to Article 2, the arbitral procedure will be governed by the will of the parties and by the law of the country in whose territory the arbitration takes place.

All questions of private international law, including those which concern the enforcement of arbitral awards in a contracting country other than that in which the arbitral award was made, remain unaffected. These are extremely delicate and difficult points, and the Committee has purposely left them alone.

This Protocol was subsequently ratified by fourteen countries (on December 1st, 1927). Great Britain also adhered on behalf of different colonies, protectorates, possessions or mandated territories.

But the effects of the 1923 Protocol were destined to remain uncertain as long as an additional undertaking had not been entered into by the contracting States with regard to the execution of arbitral awards given outside their own territories. This omission seems to have limited to some extent the number of adhesions hitherto received. On the other hand, the business world is impatiently awaiting the conclusion of an international agreement in this connection (1). It is also certain that the utility of the 1923 Protocol will be

(1) See particularly the resolution adopted by the International Chamber of Commerce at its Brussels Congress in June 1925, and by the Council of this body on November 6th of the same year.

directly proportional to the number of countries in which its provisions are applied.

In view of these facts, the Economic Committee, after proceeding to a preliminary study of the question on the basis of the considerations mentioned above, and of the work of the Conference on Private International Law held at The Hague in 1925, appointed a Committee of Jurists to draw up a new international agreement with a view to ensuring the execution of arbitral awards relating to contracts concluded between the nationals of the contracting States parties to the 1923 Protocol and pronounced in the territory of these countries.

These Jurists (1) who, in January and March 1927, held two sessions which were attended by a representative of the International Chamber of Commerce, drew up a draft Protocol which, after being adopted by the Economic Committee, was at its recommendation subsequently, communicated by the Council to all Members of the League together with the Report appended by the Experts, with the request that they should send in their observations before the Session of the Eight Assembly. The question of opening this Protocol for the signature of all States desirous of acceding thereto was at the same time placed on the Assembly Agenda.

In May 1927, the World Economic Conference had, moreover, considered how the practice of resorting to commercial

(1) Chairman, M. D. Anzilotti, Professor of International Law at the University of Rome, Judge on the Permanent Court of International Justice.

M. Basdevant, Professor in the Faculty of Law, Paris.

M. Vaclav Hora, Professor at the University of Prague.

Mr. Benjamin H. Conner, Advocate, President of the American Chamber of Commerce in France.

Dr. Walker, President of the Vienna Clearing House.

Dr. Marc Leitmaier (replacing Dr. Walker at the second session), Ministerial Councillor at Vienna.

Mr. H. Claughton Scott, K.C. (Great Britain).

Dr. Volkmar, Regierungsrat, Ministerial Councillor in the Ministry of Justice, Berlin.

arbitration might be promoted in all countries, and had taken the view that the favourable results to be expected from the 1923 Protocol would not be fully secured unless arrangements were made to supply the deficiency referred to above.

The Second Committee of the 1927 Assembly, to which this matter was referred, decided to appoint a temporary sub-Committee of Jurists to examine the replies of Governments and to consider whether, in view of these observations, the draft should not be recast.

Following the discussions, of this sub-Committee, the Assembly decided, on September 26th, 1927, to open a Convention which any countries signatories to the 1923 Protocol may sign at any time, though the Convention may be ratified only by those who previously ratify the Protocol.

Instead of the form of a Protocol the draft was given that of a Convention containing in its Preamble a list of the participant Heads of States and of their Plenipotentiaries, in order to obviate difficulties arising out of the peculiar constitution of the British Empire.

The point whether an arbitral award has, or has not, the same force as a judicial decision in the country in which it has been made was not taken into account in the Convention. The Convention deals with the arbitral award considered by itself and as proceeding from the submission to arbitration, that is to say, from a private act.

The Preamble to Article 1 states that, if the Convention is to apply, (1) the arbitral award must have been made in pursuance of a submission to arbitration covered by the 1923 Protocol;

2) the award must have been made in the territory of one of the High Contracting Parties to which the new Convention applies; and

3) it must have been made between persons who are subject to the jurisdiction of a State which is a party to the new Convention.

These general conditions having been laid down, Article 1 sets forth the further conditions upon which recognition or enforcement of arbitral awards are contingent. They are :

a) that the award shall have been made in pursuance of submission to arbitration which is valid under the law applicable thereto;

b) that the subject matter of the award shall be capable of a settlement by arbitration under the law of the country in which the award is sought to be relied upon;

c) that the award shall have been made by the Arbitral Tribunal provided for in the submission to arbitration, or constituted in the matter agreed upon by the Parties and in conformity with the law governing the arbitration problem;

d) that the award shall have become final in the country in which it has been made;

e) that the recognition or enforcement of the award shall not be contrary to public policy or to the principles of the law of the country in which it is sought to be relied upon.

In spite of these conditions, it may happen in certain cases that recognition or enforcement will have to be refused. Article 2 enumerates these cases as being those in which the award has been annulled by the country in which it was made — the Party against whom it is sought to use the award was not given notice of the arbitration proceedings in good time, or, being under a legal incapacity, was not properly represented—the award does not deal with the differences contemplated by or falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration.

Article 3 deals with the case in which, apart from the causes of annulment referred to in Articles 1 and 2, the award

contains some flaw which may give grounds for legal action on the plea of *invalidity* in the country in which it has been made. In such a case, "the Court may refuse recognition or enforcement of the award, or adjourn the consideration thereof giving the Party a reasonable time within which to have the award annulled by the competent Tribunal".

Article 4 gives an exhaustive list of the documents and evidence to be supplied by the Party desiring to avail itself of the award.

The object of Article 5 is to prevent any interested party being deprived of the opportunity of *availing himself of an arbitral award in the manner and to the extent allowed by the law or the treaties of the country where such award is sought to be relied upon*, whenever the said law or treaties contain more favourable provisions than the Convention.

Finally, article 6 states that the Convention applies only to arbitral awards made after the coming into force of the Protocol on Arbitration Clauses, opened at Geneva on September 24th, 1923.

The Convention was signed on December 6th, 1927 by Great Britain and Italy and on December 12th by France.

8. LEGISLATION ON BILLS OF EXCHANGE AND CHEQUES.

The question of the unification of the legislation on bills of exchange was considered at two Conferences held at The Hague in 1910 and 1912 on the initiative of the Dutch Government. At the second Conference, a convention and a uniform regulation were adopted by representatives of some thirty States, but for various reasons the convention was not ratified by any of the signatory countries.

The matter was not taken up again until the Brussels Financial Conference in 1920, when the Conference expressed its opinion that "activities of the League might usefully be

directed towards promoting certain reforms and collecting the relevant information required to facilitate credit operations". In this connection the Conference referred to the "advantages of making progress in the unification of the laws relating to bills of exchange".

The Economic Committee was accordingly asked to consider the question. It appointed a committee of four leading experts (1), whose report was published by the League and sent to all its Members for any comments they might desire to make. The conclusions reached by the Economic Committee were embodied in a report submitted to the Fourth Assembly, which adopted them. They may be summarised as follows :

The Economic Committee is convinced that the solution of this problem would have the effect of promoting commercial relations between the various peoples. But despite the fact that this opinion is shared by all legal and commercial circles everywhere, the deep-lying differences between the principles of the so-called "Anglo-Saxon" law and those of "Continental" law, and above all, the incongruous characteristics of the various systems of European law themselves, are such that for the time being the establishment of a common system is out of the question.

The Economic Committee, having examined in 1925 the replies to the above mentioned communication received from certain Governments and having also noted the tendencies prevailing in several countries, as well as a resolution adopted in June 1925 by the Brussels Congress of the International Chamber of Commerce, came to the conclusion that there was a real desire in the circles concerned to see an improve-

(1) Professor Jitta, President of the Royal Dutch Commission for Private International Law; Professor Ch. Lyon-Caen, Honorary Dean of the Faculty of Law at Paris; Sir Mackenzie D. Chalmers, formerly Under-Secretary of State for the British Home Office; and Professor Franz Klein, of the University of Vienna.

ment in the present situation, and it therefore decided to resume the study of the question.

The Committee's investigations convinced it that in the present state of affairs it would be vain to attempt to achieve a general unification of legislations in this branch, but that appreciable progress might be realised in the direction of a progressive assimilation of the different national legislations and particularly of those of the "Continental" type.

Nevertheless, before taking steps in this direction, the Committee desired to ascertain how far the differences existing between the different legislations, both as regards bills of exchange and cheques, constituted in practice a hindrance to commercial transactions.

With this end in view, it applied to certain experts specially qualified to give an authorised opinion (1). These experts met in December 1926. Without seeking to make a complete enumeration of the differences existing on these subjects between the various legislations and of the difficulties which they involved, the experts confined themselves to indicating those difficulties which, owing to their frequency and importance, justified in their opinion an attempt to bring the legislations closer together, and which seemed to them capable of being regulated by means of international agreements.

(1) Chairman : Mr. Westerman, Vice-President of the International Chamber of Commerce.

Dr. Hans von Flotow, Ministerial Counsellor, Berlin.

M. Vercheval, Secretary-General of the Banque de Commerce, Antwerp.

M. Weiller, barrister, Milan, delegate of the Fascist General Banking Federation.

M. Yano, Manager of the London Branch of the Yokohama Specie Bank.

M. Max Vischer, Chief Secretary of the Swiss Association of Bankers, Basle.

M. Felix Goller, Manager of the Zemska Banka, Prague.

M. Ernst Meyer, President of the Committee of the Merchants' Guild, Copenhagen.

Mr. Alwyn Parker, C.B., C.M.G., Director of Iloyds Bank, Ltd., London.

Mr. Albert Breton, replaced by M. Ralph Dawson, Vice-President of the Guaranty Trust Co. of New York.

M. Louis Dreyfus, Banker, Paris.

The experts shared the Committee's opinion as to the utility of concentrating attention in the first place on attempting to assimilate or bring closer into line the legislative provisions of the countries belonging to the Continental system. If this could be achieved, it would greatly facilitate an eventual rapprochement between the Continental and Anglo-Saxon systems.

The Economic Committee came to the conclusion that the time was now ripe for entering upon a new phase, consisting in the drafting of the text of articles suitable for the application of the solutions recommended by the experts with regard to the problems to which they drew attention and the necessity and urgency of which they emphasised. It therefore decided to summon a further meeting of experts, consisting chiefly of jurists, to draw up these texts.

This Committee (1), consisting partly of members of the Committee which met, in December, 1926, held a session in November 1927, and furnished the Economic Committee with a report in which it first of all expressed the opinion that the nature of its proposals for the solution of the problem under consideration depended essentially on the method subsequently adopted for securing as unanimous as possible an acceptance of the proposed rules.

The experts again expressed their belief in the expediency and possibility of reaching, by means of an international conference, an agreement which "would reduce difficulties arising out of the differences which now exist between the various legislations of the Continental system".

(1) Chairman : M. Percerou, Professor at the Faculty of Law of Paris.
Members : Dr. Hans von Flotow, Ministerial Counsellor, Berlin.
M. Hermann Otavsky, Professor at the University of Prague.
M. Xavier Janne, Professor at the Faculty of Law at Liège.
M. Joseph Sulkowski, Professor at the University of Posen.
M. Max Vischer, First Secretary of the Swiss Bankers' Association, Basle.
M. Edouardo L. Vivot, Doctor of Laws of the University of Buenos Aires.
M. Auguste Weiller, of the Fascist General Banking Association.

Guided by the experience of the 1912 Hague Conference they hold that it will be necessary to abandon the idea of "submitting a uniform law to the various countries for acceptance as it stands, without the national parliaments, which are ultimately sovereign in this matter, being able to make the slightest alteration by means of amendments".

Accordingly they proposed to lay down "a number of essential rules which States acceding to the agreement would undertake to embody in their respective laws by independent enactment".

They suggested that when this work has been completed, the results should be communicated to the various Governments, who would be requested to send in their observations. In this manner, the original texts could be subsequently reviewed and any alterations or readjustments which might appear necessary to ensure the success of the scheme could then be made.

In the opinion of the experts it is only at this stage that it would be expedient to invite the various Governments to be represented at an international conference for the purpose of concluding the desired agreement.

9. STATISTICAL METHODOLOGY.

With the object in mind of achieving international comparability in national statistical data, and in accordance with a resolution passed by the Genoa Conference, the League of Nations appointed a Committee on Statistical Methodology to study the principles on which certain classes of economic statistics were compiled, and to make recommendations as to the methods which could with advantage be applied internationally. In view of the valuable work which had already been accomplished in this connection by the International Statistical Institute, a private society which had been founded

with the express object of promoting uniformity in statistical methodology, the Committee in question was nominated jointly by the League and by this Institute, and the recommendations put forward by the Committee were submitted to the general conferences of the Institute before circulation to the Member States for their consideration. Amongst the subjects on which recommendations have already been put forward may be mentioned statistics relating to :

- (1) International trade;
- (2) Agricultural production;
- (3) Fisheries;
- (4) Censuses of production;
- (5) Current industrial production;
- (6) Stocks.

The programme of work for this Committee on Statistical Methodology has been drawn up on each occasion by the Economic Committee, and it will be noted that, in choosing its subjects, the Economic Committee has advanced from those on which the information already collected by the various national administrations was relatively complete to those on which it considered that it was not only desirable to promote comparability of methods but also to stimulate the collection and publication of data which are at present defective or wholly lacking. The information at present available with reference to industrial production and more especially to the stocks of important raw materials is extremely sparse, except in the United States of America and certain of the British Dominions. The endeavour of the Economic Committee and of the Council of the League to induce Governments to supply fuller and more frequent information on these subjects has not been confined to the work accomplished by means of this particular Committee on Statistical Methodology.

10. UNIFICATION OF TARIFF NOMENCLATURE.

The World Economic Conference of May 1927 recommended that the Council of the League should take the initiative in drawing up an appropriate procedure for establishing, in liaison with the producing and commercial organisations concerned, a systematic customs nomenclature in accordance with a general plan covering all classes of goods. According to this recommendation, the Council decided to invite the Economic Committee to start as soon as possible a preparatory study concerning the unification of tariff nomenclature. In July 1927 the Economic Committee instructed the Secretariat to convene a meeting of five experts with instructions to consider the different principles on which the general framework of a tariff might be constructed, and also to make suggestions as to the later stages of the study of this question. The experts were to bear in mind on the one hand the guiding principles embodied in the resolution of the Economic Conference in regard to the unification of nomenclature and to the simplification of Customs tariffs, and, on the other hand the necessity of subsequently securing the co-operation of economic interests.

In accordance with the decision reached by the Committee, a Sub-Committee of five experts—Belgian, Czechoslovak, French, German and Italian—was formed. This "Sub-Committee of Experts on Tariff nomenclature" met at Geneva from August 22nd to September 1st, 1927 and drew up a preliminary general framework of a nomenclature accompanied by a commentary indicating what, in the view of the experts, the sections and chapters of the draft should contain. The experts, after having investigated the possibility of classifying under the different categories of the new framework the tariff headings of their respective countries, held a second session from October 11th to 31st. At that

session, the Sub-Committee, revising its whole work, drew up a definitive preliminary draft customs nomenclature comprising 20 sections, among which all trade commodities are distributed in logical order on the basis of the principles set out above. In these 20 sections are classified, first the principal products of the three natural kingdoms, and then the industries which transform the principal natural raw materials and mineral products. The latter sections deal with the industries which combine or transform the products of those mentioned above to produce new articles capable of different uses from those of the material they are made of. In order to make the new nomenclature readily comprehensible, sub-classifications have been introduced into each section. These take the form of chapters, of which there are 94 in the entire nomenclature.

The report of the Sub-Committee with its two annexes, comprising the preliminary draft nomenclature and explanatory notes, was submitted to the Economic Committee in December 1927. The Committee instructed the Secretariat to bring it to the knowledge of the competent circles and asked the members of the Sub-Committee to make enquiries on the subject in their respective countries.

II. ECONOMIC CRISES AND UNEMPLOYMENT.

In 1921, the General Labour Conference called for an enquiry into the national and international aspects of unemployment and the means for combating such unemployment. The Conference invited the International Labour Office to enlist the services of the Economic and Financial Organisation of the League of Nations, with a view to finding a solution of any questions falling within its own competence that an enquiry into the problem might raise.

This co-operation, having thus been initiated, was subsequently entrusted to a permanent Sub-Committee, respon-

sible to the Economic Committee, which was appointed for the purpose of enquiring into the principal causes of the present economic depression, of which unemployment is only a symptom. The necessity for closer co-operation with the International Labour Office, however, soon made itself felt, and accordingly a Joint Committee on Economic Crises was set up, consisting of the Sub-Committee mentioned above, four experts appointed by the International Labour Office and three members of the Financial Committee.

Since 1924, the Joint Committee has been engaged on an enquiry into the very complicated question of economic barometers. In the opinion of the Committee, it is proved beyond doubt that excessive fluctuations in trade activity are highly prejudicial to stability of employment, and that it would be very desirable, if possible, to diminish the intensity of such fluctuations. The Joint Committee also considers that the principles on which credit facilities are accorded to industry and trade may be an important factor in accentuating or checking the fluctuation. Consequently, the evils caused by fluctuation might, to some extent, be mitigated if, in arriving at decisions governing credit policy, particularly in certain phases of the upward movement of the trade cycle, regard were invariably paid to all data as to relevant economic conditions, including the tendencies of the labour market and prices.

The Committee soon came to the conclusion that it would be desirable to publish in the League *Bulletin of Statistics* a number of specially selected indices of economic conditions, with a view to forecasting business movements.

With this object in view, the Joint Committee recommended that Governments should collect and publish, as often as this could be done, data which might be of use in compiling as accurate indices as possible, and it laid particular stress on the importance of statistics as to output and stocks. Under instructions from the Council, this recommendation

was communicated to all Governments Members of the League of Nations.

Further, the Joint Committee summoned a meeting of a number of experts (1) to advise as to the scientific and technical aspects of the compilation of indices and economic barometers and the elucidation of the economic criteria resulting from their methodical study.

Further, the Joint Committee recalled and adopted the resolutions of the Financial Committee of the Genoa Conference in 1922 and expressed its conviction that the principles laid down in these resolutions are entirely applicable in the present circumstances.

The Joint Committee decided to pursue by every appropriate means its enquiry into so-called "cyclical depressions", and proposed to collect data which would enable it to form a more accurate idea of the laws governing periodic crises and the methods of mitigating their consequences.

The Committee fully realised that, in regard to this matter, it should not devote its whole attention to the free play of industrial enterprise, since the economic activity of a country is also influenced by restrictions and disturbances due to Government intervention and the characteristics of the economic system in each country.

It pointed out that the precarious nature of commercial agreements concluded for short periods is liable to give rise to crises.

As regards the economic difficulties of the present moment and the excessive fluctuations of prices which accompany

(1) Chairman : M. Flux; members : Dr. Basch, Professor Bowley, Dr. Furlan, Professor Gini, M. March, M. Methorst (replaced by Jonkeer de Bosch Kemper), Professor Olbrechts and Dr. Wagemann.

them, the Joint Committee was of opinion that the following factors were deserving of special attention :

(1) The excessive and artificial development of certain industries which were created to meet war needs and which are incompatible with the proper organisation of economic life in time of peace, as well as the establishment of certain artificial industries;

(2) The confusion into which international trade has been thrown by excessive Customs protection;

(3) The unstable or exaggerated character of fiscal systems;

(4) The Joint Committee also reserved for closer study the variations in the system of prices and the economic disturbances produced by exchange fluctuations, the excessive scale of commercial profits and the excessive profits of middlemen.

12. PROTECTION OF THE FOREIGN BUYER AGAINST WORTHLESS GOODS OR GOODS OF BAD QUALITY.

The Venezuelan delegate to the Third Assembly, M. Zumeta, called the attention of the Economic Committee "to the harmful effect on legitimate trade of the manufacture and sale of products which, though not infringing the regulations governing trade-marks and patents, are nevertheless a form of fraud owing to the various devices intended to disguise their real nature".

In 1923 and 1924, the Economic Committee submitted to the Council two reports on this question, which, in certain respects, is connected with that of unfair competition in the broad sense of this latter term.

In the first report, the Committee laid stress on the fact that protection of the consumer against worthless goods is

primarily a matter for national legislation and that it is important, from the point of view of international trade, that any measures taken with this object in view should not be of a kind to discriminate between imported goods and similar goods of national origin, or to impose undue burdens on international commerce.

The Committee subsequently showed that the system of Customs prohibition or restrictions is quite unsuitable to deal with the alleged defective quality of goods. It examined the various means suggested for remedying the state of things described by the Venezuelan delegate and came to the conclusion that the most effective method by which the buyer can protect himself is for the latter to exercise care in his choice of the export firms with which he deals. But it observed that, in many countries, more or less effective guarantees were available, of which the general public should be in a position to take advantage, and accordingly that all the facilities provided in exporting countries for testing, verifying and certifying the quality of goods should always be fully available for the benefit of the overseas buyer as well as for that of the home consumer.

It is, moreover, desirable that the public should be better informed as to the existence of national legislation designed to ensure a minimum standard of quality as regards the composition or manufacture of certain commodities—that is, legislation which provides for control and verification by means of certificates or compulsory marks. It is also desirable that the public should be aware of the existence of certain official, semi-official or private organisations for testing certain classes of goods at the request of the producer or of the purchaser, and guaranteeing their quality by means of marks or certificates. The general public might likewise be better acquainted with “standard marks” intended to be affixed to goods which comply with specifications laid down by competent technical institutions or committees, such as

standardisation committees, and with the mark adopted by some countries or associations to provide guarantees as to the origin or genuineness of certain goods.

With a view to spreading information of this kind, as far as the results of its enquiry permit, the Economic Section of the Secretariat has prepared a pamphlet giving, in respect of a large number of countries, such data as it has been possible to collect. Unfortunately, these data are not complete, but it is hoped that the effect of provisional publication will be to induce those countries which have not yet provided the necessary information to do this at an early date, so that it may subsequently be possible to publish an almost complete list of the various measures to which buyers may resort for the purpose of avoiding any disappointment when placing orders abroad.

13. PUBLICATIONS.

The earliest economic publications of the League were those prepared for the International Financial Conference which took place at Brussels in 1920. This Conference declared, in its opening resolution, that the first step in financial reform "is to bring public opinion in every country to realise the essential facts of the situation, and particularly the need for re-establishing public finance on a sound basis as a preliminary to the execution of those social reforms which the world demands". It urged, therefore, that the work of collecting and publishing at regular intervals the essential information concerning the financial situation of the world should be undertaken forthwith and developed.

Since that date, in accordance with this recommendation, a long series of financial and economic publications has been issued. The choice of subject and the manner in which the subjects have been treated have always been determined primarily by the consideration that the essential object of

this work was to inform public opinion on immediate and vital problems. The first memoranda prepared, therefore, dealt with the questions of public finance, currency and, as the various currencies became stabilised and new banks were founded, with the central banking position. In order to complete the picture of the currency and banking situation, a volume on joint-stock banks is now in course of preparation.

In 1920 and the years immediately following, the gravest difficulties that the various countries had to face were primarily national in character. The attainment of budgetary equilibrium or the stabilisation of domestic currencies could only be assisted by international action after certain indispensable national measures had been adopted, but gradually the international aspect of the financial problem became more important, and the Third Assembly of the League of Nations accordingly passed a resolution to the effect that "a study of the various questions connected with the stabilisation of currencies, and in particular that of the foreign trade balance and balance of payments of various States, . . . be actively pressed forward so as to lead to the publication of reports which will throw light on this question".

In compliance with this resolution, the publication of what have now become the annual volumes on international balance of payments and foreign trade was initiated in 1924. These volumes contain, in addition to a collection of such estimates of balances of payments as have been made, a study of the changes in the total quantum of world trade, in its direction, composition, etc., and detailed analyses of the commerce of all the major trading units. They have more recently been supplemented by a memorandum on production and trade.

All the publications mentioned above are issued at intervals of a year or more, and the consequent gap in the information is filled by the *Monthly Bulletin of Statistics*, which contains a collection of all most important monthly economic

statistics available. The primary intention of this *Bulletin* is that it should serve as a collection of indices of the changes in economic prosperity. In addition, special studies have from time to time been made, of which the report on the economic situation in Russia in 1922 may be quoted by way of illustration.

This series of memoranda, and in addition the special reports published with reference to, for instance, the economic situation and financial reforms in Austria, Hungary or Estonia, embrace together a very considerable volume of economic information with reference to the world as a whole, and the Council of the League considered that it would be advisable to summarise the most important information thus scattered through a number of publications into a single volume, and, in accordance with its recommendation, a *Statistical Year-book* has now for the first time been compiled.

From the foregoing observations the essential characteristics of the economic publications of the League and the policy which has guided its work in this connection have to some extent been indicated. In the first place, that policy has been from the beginning essentially pragmatic. It has been the object of the Economic Organisation to concentrate on the particular problems which were of vital importance at the moment, but, while it has been the intention of the Economic Organisation to inform the public, it has not endeavoured to mould public opinion. The scientific character of the economic publications has not therefore been sacrificed to purely popular exposition. An attempt has been made to study the various problems selected at once as profoundly and as widely as conditions permitted, and to interpret and express the results of the enquiries with scientific accuracy. But the final digestion of the facts collected has been left to the financial Press and popular economic writers.

Secondly, a logical sequence has been pursued in the

choice of subject, a sequence which, as we have seen, has run parallel to the actual course of post-war economic development. Thus there has been a progression from the national questions of public finance, inflation, deflation, etc., to those of international accounts, international trade, the movement of capital and the effect thereof on the rate of interest; from currency questions in their narrower sense to those of the central banks and later joint-stock banks; from international trade to production. The documentation which has been prepared for the Economic Conference will be found to be a natural complement to the works which had already been issued before the Conference.

The whole of the work demanded, of course, the active co-operation of the Governments of the various Member States, and it is thanks to the willingness with which their assistance has been rendered that its execution has proved possible.

It must be remembered, however, that the whole undertaking represents a new endeavour. These world surveys have no precedent. They are dependent for their success on the gradual amelioration of the data on which they are based. Simultaneously with the work of study and publication, therefore, the Economic and Financial Organisation has endeavoured to promote the collection of information on a comparable basis and the promotion of natural economic studies. Such information is essential to the world economics of the future.

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THE LEAGUE OF NATIONS

FINANCIAL ADMINISTRATION
AND
APPORTIONMENT OF
EXPENSES

**Information Section,
League of Nations Secretariat,
GENEVA.**

NOTE

This pamphlet is one of a short series issued by the Information Section of the Secretariat of the League of Nations on various aspects of League work. It should not be regarded as an official statement engaging the responsibility of the League; for official purposes, reference should be made to the documents and proceedings of the League of Nations.

Other pamphlets deal with the general work and development of the League, its constitution and organisation, the Permanent Court of International Justice, political activities, financial and economic work, disarmament, health, mandates, transit, minorities, the administration of Danzig and the Saar, intellectual co-operation, and humanitarian activities.

January 1928.

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Part I

THE FINANCIAL ADMINISTRATION OF THE LEAGUE

The creation of an organ for international co-operation on an extensive scale, such as the League of Nations has become, presented many problems, not the least difficult being those connected with questions of revenue and expenditure. When countries engaged in making the most drastic economies at home are called upon to make considerable contributions towards the carrying on of work not under their exclusive control nor in all its phases regarded as directly useful to them, the questions asked and the criticisms offered are likely to be many and searching.

Respect for the wisdom of the decisions that authorise expenditure, faith in the integrity of the organisation which administers the funds, and confidence in the justice of the system under which the apportionment of the expenses is carried out—these are all essential prerequisites before parliaments will vote the necessary credits to pay their contributions towards the expenses of the League.

The League on January 1st 1928 entered upon the tenth financial period of its existence. It now possesses a well-developed and smoothly running administration. This was not secured by a single act, but represents the gradual evolution of nine full years. A review of the stages through which this development has passed, a description of the system now in operation, and a general analysis of the financial

working of the League may not be without historic interest and practical value.

The Covenant of the League of Nations contains very little by way of direction concerning the formation of the administrative organ which it was obvious would be necessary in order that the League might undertake the duties assigned to it. Article 6 authorises the establishment of a permanent Secretariat at the seat of the League : this organisation is to be under the immediate direction of the Secretary-General, who may, with the approval of the Council, appoint such staff as shall be required. Beyond a reference as to the method for the apportionment of the expenses of the Secretariat among the Members of the League, there are no provisions in the Covenant governing financial administration.

In each country, there exists a governmental system of financial administration that has been evolved after a long period of development. But none of these systems was in its entirety suitable for the League of Nations. A composite system, therefore, had to be developed that would be intelligible to and be approved by the Governments of all the States. Suggestions and constructive criticism have come from many directions. Successive Assemblies, Committees and individual experts have given to the question of the administration of League finances much patient enquiry and careful study. Experiments have been tried and rejected. Methods have been adopted and modified. There has been, however, steady progress towards perfection of administrative control and the result that has been finally attained is generally acceptable to the contributors.

THE ORGANISATION PERIOD.

Although the birthday of the League of Nations is commonly given as January 10th, 1920, this being the day on which the Treaty of Versailles came officially into force, the

Secretary-General, Sir Eric Drummond, had for eight months prior to that time, been engaged in the task of building up his organisation and collecting an international secretariat. By the aid of timely advances made by the British and French Governments, the necessary preliminary expenditure was met. This provisional period came to an end with the creation of the League Council, whose first meeting was held on January 16th, 1920.

To the Council the Secretary-General reported on the steps already taken. The Council approved what had been done, and took over responsibility for further development.

It was not, however, until its fifth meeting, held in Rome, in May 1920, that the Council considered financial questions, dealing then with the estimates for the first financial period; while, at the Council meeting held at San Sebastian in August, the second budget, that covering expenditure for the half-year ending December 31st, 1920, was likewise sanctioned.

While the Council, as the sole authority at that time existent, became in the last analysis responsible for the collection and expenditure of the necessary sums needed to carry on the work of the Secretariat and the International Labour Office, it made no attempt, during the ten months prior to the first meeting of the Assembly, to develop regulations for governing the financial administration of the League. The Council, during the interval, did not go beyond recording a decision for the adoption of the gold franc as the monetary unit and arranging for the auditing of the accounts for the first two financial periods. It preferred to leave to the Assembly the establishment of a system for controlling, by comprehensive regulations, the financial administration of the League.

THE WORK OF THE FIRST ASSEMBLY.

The Assembly, at its first session, decided to adopt the standing Committee system for facilitating the despatch of its business. The Committees appointed were six in number, each comprising, as far as was possible, a representative from every delegation. To the Fourth Committee it was decided to refer all questions relating to the administration of League finances and to the internal organisation of the Secretariat, the International Labour Office and the Permanent Court of International Justice.

When the Assembly met for the first time, the first financial period had already terminated and the second financial period was nearly at an end. The First Assembly did not, therefore, occupy itself to any considerable extent with past expenditure, but gave careful study to the estimates for the third financial period (1921) which was shortly to begin. In accordance with European practice, two rapporteurs were named, the Hon. Sir George E. Foster, ex-Finance Minister of Canada, and Jonkheer W. J. M. van Eysinga, Professor of International Law at the University of Leyden, in Holland. In the report, presented by the rapporteurs to the Fourth Committee near the close of its deliberations and transmitted with the Committee's approval to the First Assembly, are to be found, in the form of a series of resolutions for the "Financial Administration of the League" the foundations of the system ultimately adopted.

Discussion having arisen at the First Assembly as to the character of the organisations which the Secretary-General and the Director of the International Labour Office had by this time built up, and it having been contended in some quarters that the salaries paid and privileges granted were excessive, the Assembly decided to ask the Council to name a small Committee of experts to consider "all the factors

connected with the organisation, efficiency, number, salaries and allowances of the staff and to deal with the general expenditure of the whole organisation", this Committee to report to the Second Assembly, so as to enable that body to form a fair opinion on the administration that had been created.

THE COMMITTEE OF ENQUIRY OF 1921.

In due course the expert Committee of Enquiry was appointed by the Council. It consisted of five members, of whom the Chairman was M. Georges NOBLEMAIRE, Member of the French Chamber of Deputies, while the rapporteur was Mr. Robert A. JOHNSON, an official of the British Treasury. This Committee made a most exhaustive examination of the work of the Secretariat and of the International Labour Office, presenting to the Second Assembly, in September 1921, a detailed report on every matter on which they were asked to enquire. To review the contents of this report would be to describe in great part the system and organisation as it to-day exists. It is, perhaps preferable, therefore, to omit detail here. Suffice it to say that the report was most thorough and exhaustive and that in its main lines it approved the organisation of the two bodies in the form in which the experts found them; going, indeed, so far as to say that, having regard to the difficulties of building up in so short a time an international organisation to which no parallel has ever existed, "it was difficult to see how what had actually been achieved could have been substantially improved upon". The report was duly submitted to the Second Assembly, was slightly modified by that body and was finally agreed to. It forms the basis of the present system.

THE SECOND ASSEMBLY.

It was now felt that the time had arrived for the consolidation, into a series of regulations, of the recommendations

approved by the First and Second Assemblies, of the findings of the Noblemaire-Johnson report, of the observations made by the successive auditors that had examined the accounts and of the precedents which had been created as the new organisation had dealt with its many problems.

The Second Assembly therefore decided that such a code be drawn up and presented—a year later—for final approval.

THE SUPERVISORY COMMISSION.

The most important step, however, in the development of the internal administrative machinery of the League organisations was the decision arrived at by the Second Assembly to set up a Supervisory Commission. This body was to be composed of five members, of whom at least one should be a financial expert. The Commission was to meet as often as might be necessary, at Geneva or elsewhere, its duty being to supervise the financial working of the Secretariat, the International Labour Office and the Court, and to deal with any special matters of administration which the Assembly or the Council should refer to it.

The Council was asked to appoint this Commission and accordingly named M. Georges NOBLEMAIRE (France), Dr. J. A. NEDERBRAGT (Netherlands), Sir James ALLEN (New Zealand), Dr. S. OSUSKY (Czechoslovakia), and M. Luis WADDINGTON (Chile). The new Commission met in May and September of 1922, taking up, among other important tasks, the work of codifying the Financial Regulations. To the Rapporteur of the Supervisory Commission, Dr. Nederbragt, the League is mainly indebted for the carefully arranged and clearly expressed draft regulations which, having received the approval of the Commission, were finally adopted by the Third Assembly. The Fourth Assembly, after a year's trial, found it necessary to make but slight modifications.

Thus has the League come to have its code of financial regulations, the result of three years of discussion, examination and experience.

HOW THIS SYSTEM OPERATES.

The financial year of the League is the calendar year. In April of the preceding year the Secretary-General prepares a provisional budget. It is no easy task to estimate what will be the requirements of a period that will not begin until eight months later, hence the calculations for certain of the items are necessarily somewhat indefinite.

This provisional budget contains three separate parts: that concerning the expenses of the Secretariat, that concerning the International Labour Office, and that concerning the Permanent Court of International Justice.

The provisional budget of the Secretariat is drawn up by the Secretary-General; that of the International Labour Organisation is prepared by the Director and approved by the Governing Body; that of the Court is prepared by the Registrar and approved by the President of the Court.

These three budgets—including the estimates for capital expenditure—come up for examination at the Supervisory Commission's May meeting. At the same time the Auditor reports to the Commission on the accounts of the previous year. The executive heads of the three organisations, and any other official whose special knowledge of some particular feature of the work makes his explanations useful, are invited to appear before the Supervisory Commission.

Every item of each budget, down to the minutest detail, is subjected to close scrutiny, and a report is prepared by the Commission for the information of the Governments; this report has, of course, great weight with the Governments themselves and with the Assembly. The Commission has

not the authority to alter the budget, but every effort is made by the Secretary-General, the Director of the International Labour Office, and the Registrar of the Court to meet the views of the Commission in its endeavours to keep down expenditure.

When agreement is reached, the consolidated budget, with the comments of the Supervisory Commission and full explanations by the competent officials, is printed in English and French and circulated, three months before the meeting of the Assembly, to every Member of the League and of the International Labour Organisation.

The Council also considers the expenditure proposed for the Secretariat and the Court, but of recent years has contented itself with referring these estimates, without critical comment, to the subsequent Assembly.

In the interval between circulation and the meeting of the Assembly, there is ample time for the provisional estimates to reach every Government, even that of the most distant State; there is therefore full opportunity for examination of the proposed expenditure and for definite instructions to be given to all Assembly delegates. There is thus the fullest publicity regarding every item of anticipated expenditure and no Member of the League need be unaware of what its contribution for the ensuing year is likely to be.

PASSING THE LEAGUE BUDGET.

When the consolidated budget, together with any proposals for capital expenditure or Working Capital reaches the Assembly, it is referred to the Fourth Committee, officially known as the Finance Committee, for examination and report.

Running the gauntlet of the Finance Committee is by no means a mere matter of form. Every item is exhaustively discussed. The Chairman of the Supervisory Commission

aided by the executive heads of the three organisations, explains the estimates which his Commission has agreed to three months before. It sometimes happens that conditions change between the time when the budget is first examined by the Supervisory Commission and the date on which it comes before the Finance Committee of the Assembly. In such cases amendment may be suggested by the Supervisory Commission, the Finance Committee being ever ready to accept an alteration promising to effect economy.

“Compression” is the watchword of the Finance Committee, and when the budget, passed by that body, reaches the Assembly, it may be taken for granted that the sums approved represent the minimum amount on which the work of the League can be carried on for another year without serious impairment of the efficiency of the organisations of which it is constituted.

Furthermore, the Finance Committee bars the way to sudden adoption by the Assembly of unexpected projects involving expenditure, for no new proposal can be presented to the Assembly without having previously been examined and reported upon by the Committee as well as by the Supervisory Commission. This is a very effective safeguard. It is not that in the last analysis the Assembly is not supreme, but enthusiasm for expenditure has a chance to cool in the Finance Committee, and the Assembly, if it receives an adverse report, rarely decides upon new expenditure.

ALLOCATING THE EXPENSES.

At the time when the Assembly passes the estimates for the following year, it also fixes the method whereby the expenditure shall be apportioned among the Members. The contribution to be made by each State is determined in accordance with a schedule that has been agreed to after long consideration and debate. This matter, however, forms

the subject of Part II of this pamphlet entitled "The apportionment of the expenses of the League of Nations among the States Members"

CREATION OF A WORKING CAPITAL FUND.

After the Assembly has adjourned, having passed the consolidated budget and agreed to the apportionment of the expenses, the Secretary-General undertakes the task of collecting the contributions. About November 1st he notifies each State of the sum due for the coming year. One amount is asked but it is stated that when the payment is made, each of the three organisations, viz. the Secretariat, the International Labour Office and the Permanent Court of International Justice, will forthwith receive its proper proportion.

Few States, however, pay their contributions in the earlier part of the year. Parliamentary sanction is generally necessary before funds can be sent in, hence the League has found itself, on several occasions, with hardly sufficient revenues to meet current expenses. To overcome this difficulty a Working Capital Fund has been built up. In the budgets of 1920, 1921, 1923, 1924 and 1925 amounts were asked for in excess of what was needed for actual expenditure and each contribution received in respect of these five periods included a certain percentage towards Working Capital. It is proposed that by additions of interest this fund will eventually reach 5,000,000 gold francs, the maximum authorised by the Assembly.

From time to time statements are prepared showing how much each State has paid into the Working Capital Fund. These payments are regarded as loans and may be returnable to the contributors, in whole or in part, at any time that the Assembly so decides. In the meantime the fund earns interest which is credited to the States in the proportion of their contributions. The Working Capital is available for each

organisation in the proportion which its budget bears to the total budget. Working Capital is drawn as each organisation needs it and returned to the "pool" when no longer required. The Fund is kept in gold francs and the total paid-up amount is expected to be intact at the end of each normal year. As a regulating device whereby the finances of the League are kept at a happy mean between riches and poverty, it is provided in the financial regulations that, if at the end of a budgetary period the Working Capital is intact and there is still a free cash surplus, this latter sum shall be reimbursed to the Members of the League in the second following year. *Per contra*, if there is a deficit, this impairment must be made up by an extra assessment in the budget of the second following year. Thus surpluses and deficits are made to balance one another.

THE BUILDING FUND.

This fund was formed from the excess of the contributions paid by Member States, from the commencement of the League, over the actual expenses of the League in the same period, and as at 31st December 1926 amounted to Gold frs 17,385,914:99

which sum is represented by

Property. Gold frs. 5,363,424:61

Cash. Gold frs. 12,022,490:38

During the years 1926 and 1927 a sum of 1,400,000 Swiss francs (1,375,000 being budgeted for and 25,000 being taken from the Building Fund which earns interest) has been refunded to those States which, by the prompt payment of, their share of the League's expenditure contributed to the fund, and it is anticipated that this sum will be set aside annually for a period of 15 years, when the full excess will have been refunded and the building fund will be owned by Member States in the same proportion as they contribute to the annual budget of the League.

THE GOLD FRANC.

The Secretary-General, when asking the States Members to send in their contributions, requests payment in gold francs, that is to say, in American dollars. When the Secretariat removed from London to Geneva, it was recognised that a Continental currency must henceforth be employed. The franc of the Latin Monetary Union, though of varying post-war gold value, represented a method of reckoning familiar to a large number of States. The gold franc, with its pre-war value of 5.1826 gold francs to the American dollar, was therefore taken as the monetary unit of the League. The budget total is expressed in gold francs, the details of expenditure, however, being worked out in Swiss francs. For accounting purposes, the gold franc and the Swiss franc are treated as though of equal value. This results in limiting expenditure to the number of Swiss francs expressed in a gold-franc total.

HOW THE LEAGUE IS FINANCED.

Were the contributions due in a given financial period always paid within the period, the task of financing the League would not be difficult. Unfortunately there is sometimes considerable delay in the payment of contributions. The experience of the past eight years would seem to indicate that about 70 % of the sum due may be expected to reach the League Treasury within a given financial period. About two-thirds of the remainder is collectable but may require a year or more before it comes in. As, however, each year has a similar carry-over, and as the annual expenditure is fairly constant, the current collections, together with the payments on arrears, usually provide revenue equivalent to about 90 % of the authorised budget of expenditure.

It is not always possible, with appropriations which have already been compressed to the limit of safety, to effect economies amounting to 10 %. Further reductions are, however, made wherever the service will permit. In case the expenditure of the year exceeds 90 % of the authorised budget and a deficit results, this is temporarily made good out of Working Capital and ultimately restored, as previously described, by the inclusion of a sufficient sum in the budget of the second following year. Thus the League has that much-desired condition, a balanced budget.

CONTROL OF EXPENDITURE.

It can be affirmed, with little fear of contradiction and no danger of disproof, that no Government exercises stricter control over expenditure than the League of Nations. Complete rules and regulations govern every phase of the work, and the system followed in assuring obedience thereto is thoroughly effective. There is Internal Control and External Supervision. To begin with, there is complete separation within a League organisation between the department which authorises payment and the department which pays the account.

The Accounting Department is responsible for the correctness of the accounts of the League. No payment of any kind may, however, be made without the approval of the Internal Control Office. An official, desiring to entail expenditure, must apply in writing in advance for permission to do so. If there is an available appropriation and if the proposed expenditure conforms to the prescribed rules, such permission is given by the Internal Control Officer and a record of the commitment is kept. When the account is subsequently presented for payment it must be certified by the Internal Control Officer that the agreed conditions have been fully complied with.

An auditor and deputy auditor, who must be in no way in the service of any of the organisations of the League, are appointed by the Council. They serve for five years and cannot be replaced save by the Council on the proposal of the Supervisory Commission. The accounts of the League are audited at the close of each financial year, but in addition the auditors examine all payments and vouchers three times during the year. For the purpose of their audit they may call for any existing League document and any official must, if so desired, answer their enquiries. Any question raised by the auditors must be answered in writing by the competent official and if the auditors are not satisfied with the reply, they report the matter to the Supervisory Commission. After each examination the auditors make a full report to the Supervisory Commission. The rapporteur of the Commission is charged with the duty of studying the auditors' reports and of bringing before his colleagues all matters judged by him to require further consideration.

THE ANNUAL COST OF THE LEAGUE.

What does the League of Nations cost the Nations which as members contribute to the expense of its work? Omitting the organisation periods of the League's early existence, the total authorised League budgets for the years 1921 to 1927 amount to 161,227,251 gold francs, giving an average of 23,032,465 gold francs per year, equivalent to about £913,263 or 4,444,190 American dollars.

Under these seven budgets capital expenditure amounting to 8,288,398 francs has been authorised. Capital expenditure and Working Capital may, strictly speaking, be considered as investments and as returnable advances. These items can therefore be excluded from the calculation as to the annual cost for the maintenance of the League organisation.

If what is being accumulated under these headings is deducted, it will be found that the average authorised League budget for current expenses comes to approximately 20,898,728 gold francs or £ 828,660 and slightly less than 4,032,500 American dollars per annum. Of this sum, there is allotted in round figures to :

The Secretariat budget : about 11,650,000 gold francs (£ 461,935 or 2,249,906 American dollars).

The International Labour Office budget : 7,240,000 gold francs (£ 289,074 or 1,396,982 American dollars).

The Court budget : approximately 2,008,728 gold francs (£ 79,648 or 387,590 American dollars).

What the Expenditure Covers. — The current expenses of the League cover a wide range, which includes the whole cost of the League, the Labour Organisation and the Court. The budget of the Secretariat carries the cost of all Council meetings, of the annual Assembly, of the technical organisations, the advisory committees and special committees, all administrative work and all salaries and allowances. There are meetings of one kind or another throughout the year. Nearly all the technical and advisory committees are composed of international representatives in their particular fields of experience, and although the total expenditure occasioned by these meetings reaches a considerable sum, the League receives expert counsel of inestimable value at the cost only of the reimbursement of out-of-pocket expenses of those who give this service. The cost of the First Assembly exceeded 900,000 francs, but subsequent experience enabled the Secretary-General to reduce this item gradually to half the original amount without affecting efficiency. That a meeting attended by delegations from 50 States and lasting a month can be run at an expense of about 350,000 francs, which is equivalent to £ 13,878 or to less than 67,534 American dollars, is an

accomplishment which can challenge comparison with other similar conferences.

A consideration to be noted is that additional expenditure is caused by the necessity of two official languages. This not only means larger personnel, but greater expenditure on printing bills. Contracts for printing are given not only in Switzerland but in other countries, whenever by so doing economies can be effected.

The cost of the meetings of the Governing Body and of the Annual Conference of the International Labour Organisation and all committees summoned by it, as well as the total cost of its Secretariat and administration is met out of the appropriation for the International Labour office.

The Court has only a small permanent staff and its budget is comprised mainly of salaries, allowances, and travelling expenses of the fifteen judges, varying somewhat according to the frequency and duration of the sittings. The budget also includes the cost of the Secretariat and administration.

Part II

THE APPORTIONMENT OF LEAGUE EXPENSES

INTRODUCTION.

Whenever combined action involving expenditure requires to be undertaken, a necessary pre-requisite is a clear understanding as to the manner in which the cost shall be divided among the participants. This is true when the co-operators are individuals; it is equally true when they are independent States.

During the last half-century international action has developed in many fields, and conventions determining the apportionment of expenses are attached to not a few treaties governing international activities.

The pioneer and most widely accepted system of this nature and that on which the schedules of several other organisations are based, is that inaugurated by the International Telegraphic Convention in 1868 and subsequently developed in connection with the international postal service.

The "Universal Postal Union" was the outcome of a conference held at Berne in 1874, when the scale for the apportionment of expenses of the Telegraphic Union was adopted. The system provided that each Member State should be given a classification. A State of the first class was rated at 25 units, a State of the second class at 20 units and so on, there being six classes in all, a State of the sixth class having

but three units. In 1870 a seventh class, rated at one unit, was added at the request of the smaller States.

In order to determine the proportion of the expenses payable under the Universal Postal Union system by a member State, a total is obtained by adding together the unit rating of all the members. Then the ratio which the number of units of a given State bears to the total number of units determines the proportion of the expenses which that State shall pay.

The general principle followed in arriving at the classification of a State is "according to the population, extent of territory and the importance of the postal traffic", and in the application of these principles it is stated that "it devolves upon the Government of the Swiss Confederation to determine by common consent of the country the share to be contributed". As a matter of fact, however, not a few States, for reasons of national dignity, elected to be placed in a higher classification than their importance warranted.

The resulting system, partly scientific and partly empirical, has, with slight modification, served its purpose for nearly fifty years.

Other international organisations, while giving prominence to somewhat different factors, have imitated the method inaugurated by the Postal Union. The International Institute of Weights and Measures determines its classification mainly according to population; the International Union for the Publication of Customs Tariffs attaches chief importance to relative commerce; the International Hydrographic Bureau bases its calculations according to the total tonnage of shipping; the International Bureau for the Protection of Industrial Property and the International Office of Public Health have adopted without change the original Universal Postal Union schedule, while the International Institute of Agriculture has evolved a scale of its own.

The Conventions of 1899 and 1907, by which was instituted the Permanent Court of Arbitration at The Hague, stipulate that the expenses of maintaining the central bureau shall be "borne by the contracting Powers in the proportion fixed for the International Bureau of the Universal Postal Union". For twenty years prior to 1919 this system was employed by the Court with satisfactory results. It was therefore natural that the statesmen who drew up the Treaty of Versailles should have had recourse to a similar method for the apportionment of the expenses of the League of Nations.

There had been no provision with regard to the allocation of expenses in either President Wilson's draft Covenant or in the original British draft. Nor had the matter been referred to in the French or the Italian proposals. In the first effort to combine these drafts, however, appears Article 6 of the League Covenant in practically its present form—taken almost without change from the Conventions of the Court of Arbitration. Apparently there was general agreement in concluding that the system would give equal satisfaction when applied to the apportionment of the expenses of the League of Nations.

All these previously formed international organisations, however, are operated within the limits of a greatly restricted budget. Their annual permitted expenditure is so inconsiderable that it matters little to a member State whether, in accordance with the classification which has been given to it, it is called upon to pay a maximum or a minimum contribution.

This is not so, however, with the League of Nations. A system, adequate for the distribution of small expenditure, has already proven wholly unsuitable when applied to a relatively large budget.

The history of the League finances during the past seven years is made up largely of a recital of the endeavours to find

a way out of this very real difficulty. Now that a satisfactory solution seems to be within sight, a descriptive account of the steps that have led up to agreement may not only be of historical value but may demonstrate that the fullest consideration has been given to all the elements of a very difficult problem and that the decisions reached are the result of careful study, unhampered discussion and mutual concession to the fullest possible degree.

THE ORIGINAL SCALE.

When the Secretary-General of the League of Nations, in October 1919, came to apportion, among the countries which appear in the Annex to the Covenant as original signatory Members, the sum which had been approved for the expenses of the organisation period, and in doing so followed the method prescribed in Article 6 of the Covenant, the result was as follows :

	CLASS	UNITS	AMOUNT
			£
United States of America .	1st	25	16,234
Belgium.	3rd	15	9,740
Bolivia	6th	3	1,948
Brazil.	3rd	15	9,740
British Empire.	1st	25	16,234
Australia	1st	25	16,234
British India.	1st	25	16,234
Canada	1st	25	16,234
New Zealand	6th	3	1,948
South Africa.	1st	25	16,234
China.	1st	25	16,234
Cuba	6th	3	1,948
Czechoslovakia.	4th	10	6,494
Ecuador	6th	3	1,948
France	1st	25	16,234

	CLASS	UNITS	AMOUNT
			— £
Greece	5th	5	3,247
Guatemala	6th	3	1,948
Haiti	6th	3	1,948
Hedjaz	7th	1	648
Honduras	6th	3	1,948
Italy	1st	25	16,234
Japan	1st	25	16,234
Liberia	7th	1	648
Nicaragua	6th	3	1,948
Panama	6th	3	1,948
Peru	5th	5	3,247
Poland	1st	25	16,234
Portugal	4th	10	6,494
Roumania	3rd	15	9,740
Kingdom of the Serbs, Croats and Slovenes . .	4th	10	6,394
Siam	6th	3	1,948
Uruguay	6th	3	1,948
		<u>395</u>	<u>£256,494</u>

To apportion £256,494 (6,000,000 gold francs) among 32 States was, however, a very different matter from that of dividing 125,000 francs (the annual expenditure of the Postal Union) among 81 contributors.

Among the most prominent defects was the treatment accorded to the British Dominions. These States, although self-governing and, as such, original Members of the League, had not been, in an autonomous capacity, parties to the Arbitration Conventions. On applying the Universal Postal Union scale, however, it was found that India, Canada, Australia and South Africa were liable for League contributions equal in amount to those payable by Great Britain, France, Japan and Italy.

Again, there were difficulties with the smaller States which found themselves in a higher class than the conditions warranted. It was easy to foresee that, should the expenses of the League assume any considerable proportions, the share of these minor States might prove to be quite beyond their ability to pay, and either repudiation or withdrawal would be inevitable.

Finally, the Universal Postal Union scale in force in October of 1919, while it maintained the pre-war classification of Austria, Serbia and Russia, gave for obvious reasons no ratings to Czechoslovakia, the Kingdom of the Serbs, Croats and Slovenes and Poland, making necessary, in the endeavour to work out a classification for these latter States, the adoption of a more or less arbitrary procedure which might readily be contested.

But there was no course open to the Secretary-General other than to allocate the expenses in strict accordance with the letter of the Covenant.

In the memorandum on this subject prepared in the autumn of 1919 by the Secretary-General in anticipation of the first meeting of the Council of the League, the inadequacy of the Universal Postal Union schedule, as a method of apportioning League expenditure, was admitted, and the Secretary-General stated that "if the Council approves, a new scheme will be submitted in which an endeavour will be made to indicate a fairer basis of apportionment for future budgets".

In order to provide data for a thorough study of the entire question, the Council, at its meeting held in Rome in May, 1920, instructed the Secretary-General to draw up and circulate to all the Members of the League a questionnaire calling for accurate and recent information upon such matters as area, population, trade statistics, revenue and expenditure. In addition to this, it was decided that the International Financial Conference (which it was then thought

would shortly assemble), should be asked to name a Committee of experts to make recommendations as to the principles upon which a new apportionment might be based. In due course, the replies to the questionnaire and the report of the experts were to be submitted to the Council and the Assembly as a basis for remedial action.

But the result was disappointing. Replies to the questionnaire came in but slowly. In fact not a few countries, on account of war conditions, were unable to furnish reliable statistical information. Furthermore, the meeting of the International Financial Conference was several times postponed. Finally, the Council, at its August (1920) meeting held in San Sebastian, decided to request M. Gustave ADOR, the Chairman of the newly formed Economic and Financial Advisory Committee of the League, to select nine experts to whom should be entrusted the study of this complicated problem.

CONSIDERATION AND REPORT BY EXPERTS.

The Committee of Experts, better known as "the Brussels Committee", first took up the question as to whether or not an apportionment of expenses might be justly based upon an estimate of the value of the services which a State might receive because of its membership in the League. In view of the fact, however, that all Members participating in the Assembly had equal status and in case of need the right to claim and to receive the maximum assistance that the League could give, it was agreed that an apportionment on such a basis was neither desirable nor possible.

It was then decided that the only standard that could be justly applied must rest upon "ability to pay" and the experts set to work to ascertain upon what principles this relative capacity could be determined.

A classification based upon national income or national wealth seemed to promise greatest results. But reliable and recent figures on these matters were found to be unobtainable in respect of the majority of States. Such factors as increase or decrease in territory, war indebtedness, devastation, reparations receivable or payable, rendered the pre-war statistics in many cases of little or no subsequent value.

Other statistics, available for a larger number of countries, such as revenue and expenditure, population, area, trade returns, postal and traffic figures were next carefully examined by the experts. Here also the strict application of indices, evolved from the statistics, brought out results manifestly unacceptable. It was unfair, for example, to place too much importance upon the factor of population since, if this were done, India and China would be called upon to bear an undue proportion of the load. Neither was area a safe criterion, for, judged on such a basis, countries such as Brazil, Canada, South Africa and Australia, with vast undeveloped territories, would be greatly overrated.

Neither was foreign trade an altogether reliable guide, for it might happen that a country with undeveloped industries or developed industries but no raw materials would show disproportionately large import and export figures.

Again the national revenue of a country, where a federal government shared with a number of State governments the taxation and the expenditure, would appear far too small when compared with a State whose governmental activities were highly centralised.

Finally, after weighing all these considerations, the experts concluded to base their decisions on two factors only, viz. the net public revenue of 1913 and the estimated population of 1919.

In estimating the value which should be attributed to population, the experts agreed that for China and India the

importance attached to this factor should not exceed that given in the case of the European Member of the League whose population was the largest.

Working along these lines, the "Brussels Committee" drew up its report. Index figures were determined for each Member State. The group method of classification and the seven categories in use by the Universal Postal Union were retained, but the States were re-classified according to the results obtained by the application of the new indices. Thus France, Great Britain, Italy and Japan remained in the first class; China, India and Poland passed from the first to the second category; while Australia, Canada and South Africa went from the first to the third class. Of the 41 States thus dealt with, fifteen remained in the same category, nine were advanced to a higher class and seventeen were given a lower rating.

To summarise the work of the "Brussels Committee", it may be said that it tabulated all available data, reduced the revenue figures to a common currency, worked out a table of indices and rearranged the member States within the Universal Postal Union scale.

An honest endeavour had been made to work along scientific lines applying the indices with precision regardless of results. No attempts were made to show leniency in special cases. The report was such as a Committee of Economists—unswayed by political considerations—might be expected to produce. As such it was submitted in the hope that it might form the basis for action by the Assembly.

DISCUSSION BY THE FIRST ASSEMBLY.

The first Assembly met at Geneva in November of 1920, and at one of its earlier meetings took up the question of allocation of expenses. Without discussion, the report of

the "Brussels Committee of Experts" was referred for examination and report to what is known as the N° 4 (Finance) Committee, on which every delegation represented at the Assembly has a member.

No sooner was the question reached in the Committee than it was amply evident that disapproval of the system established by Article 6 of the Covenant was almost universal and that there was prevalent a general feeling that, unless some better scheme for the allocation of expenses could be devised, the whole future of the League might be seriously endangered. While everyone, however, was in favour of prompt remedial action, there was a marked divergence of opinion as to how amendment could be obtained.

One section of the Committee maintained that the scale of the Universal Postal Union as it stood on January 10th, 1920, permanently fixed the classification of each Member. The Members of the League had entered it on the basis of the particular allocation of expenses prescribed by the Covenant, and, on the true interpretation of Article 6, this allocation was the allocation in force for the Universal Postal Union at the date when the Treaty of Versailles came into operation. Nothing in the Covenant made it possible to oblige the Members of the League to accept a different method of allocating its expenses from that which was proposed to them when they were asked to accept the obligations of membership. Only an amendment to the Covenant, therefore, could supersede the classification as it stood on the date when the Treaty came into force. If this view were admitted, it left open no course of action except to endeavour to amend Article 6 of the Covenant.

The other point of view, urged with equal force, was to the effect that the scale of the Universal Postal Union as it might be from year to year, was always the scale on which the allocation of League expenditure should be made. If, at any time, the Union altered the rating of one of its Members,

that alteration would automatically affect in like manner the position of that State in the scale of the League. Were this contention to be accepted, obviously the best course to pursue was to secure on the part of the Union a rearrangement of its scale by previous agreement in such a manner as to be satisfactory to the Members of the League.

In support of the first contention, it was urged that it was undignified for the League to be dependent upon another organisation over which it had little or no control, in so important a matter as the manner in which the expenses should be apportioned. The Assembly, it was claimed, should have the power of making its own allocation, and putting into effect a system resulting from general agreement.

In favour of obtaining a modification through the assistance of the Universal Postal Union, the argument was put forward that such was the quicker and simpler method, since to amend the Covenant required ratification by all the States represented on the Council and by a majority of the States members of the League.

Ultimately, it became clear that the Assembly was unwilling at its first session to admit that so new a document as the League Covenant already required amendment.

The decision reached by the First Assembly was therefore as follows :

For the year 1921 the old method with all its inconveniences should be retained. The Council would, however, immediately appoint a Committee composed of five persons, (including the Swiss delegate of the Universal Postal Union) which should place itself in communication with the authorities of the Postal Union in order to bring into force at the earliest possible date, a scheme of allocation which, with the approval of the Council, the Committee should recommend. If, by July 1st, 1921, however, it was found that the scheme of allocation recommended by the Committee had not been

adopted by the Universal Postal Union or was unacceptable to any member of the League, then the Committee's recommendation, whatever it might be, should be submitted for action to the Assembly of 1921.

RENEWED EXAMINATION.

In conformity with these decisions, a Committee of five, which subsequently became known as the "Allocation Committee" was appointed by the Council before the close of 1920. This Committee consisted of M. Reveillaud, member of the Council of Prefecture of the Seine, M. Barboza Carneiro, Commercial Attaché at the Brazilian Embassies in London and Paris, Mr. George, representative of the Universal Postal Union, Sir Henry Strakosch, an eminent South African financier and M. Kaufmann, of the Danish Foreign Office. With the exception of M. Reveillaud, all had been Members of the Brussels Committee of Experts.

The Allocation Committee had been instructed to collaborate with the Postal Union authorities with a view to utilising this agency as a means of bringing about the desired change in the League scale. Careful examination of this proposal, however, led to the conclusion that as a method of procedure this was impracticable. The Postal Union is made up of 81 States and Governmental administrations. So sweeping a change as the complete reclassification of its membership necessitated the consent of two-thirds of the States and it was estimated that 18 months or two years would pass before a sufficient number of ratifications could be secured. Hence, when the time limit fixed by the Assembly for the termination of these negotiations arrived without a settlement having been reached, the Allocation Committee was constrained to prepare an independent report for the consideration of the Second Assembly,

As primary indices, the Committee took the total population on December 31st, 1919, and the net revenue for 1913.

It corrected the figures of its predecessors, building on the foundations previously laid, although conscious that they were somewhat defective. Many of the States submitted carefully prepared reports regarding their resources, thus enabling the Allocation Committee to verify and to rectify previously acquired data.

But this Committee soon became convinced that an absolutely scientific classification was impossible. Comparison in various matters as between States brought into strong contrast the immense differences existing between them. For example, under the Universal Postal Union schedule, Great Britain was given 25 units, while Liberia was given one. The contribution that Great Britain was called upon to pay was therefore 25 times that of Liberia; but in population Great Britain had 50 times as many inhabitants as Liberia and in the matter of revenue that of Great Britain was at least 4,250 times that of Liberia. On the other hand the dignity of membership itself would seem to indicate that even a small State should pay a reasonable sum.

Working out the indices on population and revenue and correcting these with other data, the index figures established by the Committee showed the relative position of Great Britain and Liberia as 118 to 1. It was apparent therefore that to maintain the scale of 25 to 1 could hardly be regarded as equitable. So the Committee suggested that the number of units attributable to each class should be altered so that the States of the first category should be reckoned at

			90 units
those of the	second	category	65 »
»	third	»	35 »
»	fourth	»	15 »
»	fifth	»	10 »
»	sixth	»	5 »
»	seventh	»	2 »

By such a scale the maximum was 45 times greater than the minimum unit.

THE SECOND ASSEMBLY'S NEW CLASSIFICATION.

The Second Assembly met in Geneva in September 1921 and the thorny problem of the allocation of expenses was again referred to its Finance Committee. At the outset the question of procedure was once and for all disposed of. It was agreed that the only practicable method was to secure an amendment to the Covenant and all efforts were henceforth directed towards that end.

In place of Article 6 of the Covenant it was proposed that a clause should be inserted which reads :

“The expenses of the League shall be borne by the Members of the League in the proportion decided by the Assembly”.

To this, as a question of principle, all were agreed, but the Assembly hoped that it might forthwith be able to secure an immediate alleviation of the admitted injustices resulting from the Universal Postal Union scale, which would still continue in force for some time to come if the amendment alone were ratified.

Further the delegates desired to have some idea in advance of what their countries might be expected to pay under an allocation made by the Assembly. “True” it was argued, “the Assembly has not yet the power to sanction a new scale, but it is reasonable to wish to know how it is likely to exercise such power if and when it has been obtained.”

Now, the allocation Committee had submitted with its report a series of indices and two provisional tables based upon it. Table I represented an endeavour to utilise the 25-to-1 classification system of the Universal Postal Union

while Table II, recognising a wider spread as between the maximum and minimum ratings, adopted figures from 90 to 2.

The discussion in the Finance Committee of the Second Assembly was long and at times animated. The delegates considered the question from every possible point of view. Criticism was directed against the criteria that had been used by the Allocation Committee in arriving at the index figures. Delegates of countries with depreciated currencies presented a plea for the introduction of a co-efficient based upon the rate of exchange, which though it did not carry, won to a very considerable degree, the sympathy of the Finance Committee. The system of grouping States of the same unitary rating into classes was condemned and finally abandoned and an alphabetical arrangement agreed to in its stead. At one time it appeared that to make a choice between Table I and Table II would hopelessly divide the Finance Committee. Gradually, however, the majority rallied in favour of Table II, although the vote, when finally taken, was not unanimous. Only by a succession of majority votes were the necessary decisions one by one obtained and incorporated in the report which the Finance Committee ultimately submitted to the Assembly.

It was finally agreed to recommend :

- (1) That steps should be taken to secure as soon as possible an amendment to the Covenant that would give the Assembly the power to apportion its own expenses;
- (2) That the classification agreed to by a majority vote should be submitted as an annex to the Covenant, this allocation to be applied as from January 1922;
- (3) That the Committee of five should be continued and should make a further report to the Third Assembly.

On the last day of the Assembly, after several hours of debate, these recommendations of the Finance Committee were adopted by the Assembly in plenary session.

DIFFICULTIES IN 1922.

Although the Assembly, by the requisite majority, had approved of the new classification for the apportionment of its expenses, the proposed allocation could have no legal validity until the decision had been sanctioned by the requisite number of States. An amendment to the Covenant requires the ratification of all the States represented on the Council, as well as of a majority of the Members of the League whose representatives compose the Assembly.

The inevitable happened. States not approving the system of allocation adopted by the Assembly refused to ratify the annex to the Covenant which contained the new classification. By the middle of 1922 it was apparent that the new schedule could not be brought into force; and again, for the fourth time the generally condemned Postal Union schedule was the only system that could be legally applied in assessing the contributions for that year.

THE WORK OF THE THIRD ASSEMBLY.

The work of the Second Assembly, however, was not wholly without results. While in its endeavour to take two steps at the same time it had failed to take either, the Assembly had decided to continue in office the Allocation Committee. It had been instructed to revise its statistics and indices, to hear and to consider complaints and to present a further report. When, in September of 1922, the results of another year's labour were presented to the Assembly it at last became evident that a general agreement was within measurable distance.

As questions of a constitutional nature had been raised by several States, it was decided by the Third Assembly that the subject of the allocation of expenses should be examined by its First Committee, which usually dealt with questions of a constitutional and juridical character. At the same time, it was agreed that Sub-Committees of the First and Fourth Committees, acting as a joint Committee, should deal with the matter before it was taken up in the Assembly.

The report of the Allocation Committee, while maintaining for the most part the rating of Table II that had been approved by a majority in the Second Assembly, introduced two new factors in modification of its previous findings. Recognising that certain countries had suffered severely by invasion during the war, it was proposed that such States should be temporarily allowed a reduction in the number of units. This reduction should represent, in a rough way, the impairment in ability to pay consequent upon war devastation. For example: In any scale that might be drawn up, France would naturally expect to appear as a State of the first magnitude. France and Great Britain had both been rated at 90 units in the previous schedule of the Allocation Committee; but France had been invaded while Great Britain had not, hence, while both Powers came to be classified primarily at 95 units, the new plan allowed France a reduction of 17 units because of her devastated areas. Thus her unit of apportionment was fixed at 78. So Italy passed from 73 to 61; Roumania from 40 to 31; the Kingdom of the Serbs, Croats and Slovenes from 35 to 26, and Belgium from 20 to 15. Furthermore, for the benefit of the smaller States, a single unit was suggested as a minimum rating. Thus the ratio between the largest and smallest contribution (Great Britain and Liberia for example) was as 95 to 1.

While the report, when submitted to the Assembly, gave general satisfaction, there were still several States that objected to their classification. The situation was relieved by

the magnanimous action of Poland in offering to increase her rating from 15 to 25 units and by the fact that the admission of Hungary gave a further margin of four units for re-allotment. This made it possible to reduce slightly the rating of several States whose circumstances presented strong claims for consideration. It is true that in these suggestions the strictly scientific basis, originally aimed at, was hardly adhered to. It had always been recognised that it was impossible to work out to a number of decimals the "ability to pay" of every State. But a schedule based primarily on accurate data and modified sympathetically resulted in a scale with which all seemed fairly content.

Thus it was that the modified proposals of the Allocation Committee met with little opposition, and were in due course adopted by the Third Assembly without a dissenting voice. Cuba alone abstained, her delegates stating that they were without mandate to consent to any arrangement that would increase their annual contribution. The Cuban delegates agreed, however, to take the matter up again with their Government, and to urge that the new proposals be approved.

The provisional scale, approved by the Third Assembly, was thus put into force for the allocation of expenses in respect of the budget of 1923.

Its validity, however, rested merely on the "gentlemen's agreement" resulting from a unanimous decision of the Assembly. It could have no legal force until the Amendment to article 6 was ratified. The Assembly begged therefore the Council to urge the members of the League to ratify as soon as possible the amendment to that article.

THE SCALE FOR 1924 AND 1925.

The Fourth Assembly was, like all its predecessors, called upon to deal with the question and made some changes in the schedule of the preceding year which subject to these mo-

difications, it decided to apply in 1924. The Irish Free State and Abyssinia being admitted to the League, the extra units accruing through these accessions were utilised in slightly reducing the rating of several other States. As a mark of sympathy for Japan in her great national disaster, a temporary reduction of 12 units was granted to that country.

The prescribed number of ratifications having been received, the amendment to article 6 of the Covenant came into force on August 13th 1924. The last paragraph of this Article now reads as follows :

“The expenses of the League shall be borne by the Members of the League in the proportion decided by the Assembly.”

The Fifth Assembly approved, for the year 1925, the scale of allocation which had been in force in 1924 subject to certain small readjustments, and the division, to be made by the Allocation Committee, of the 35 units made available, owing to the resumption of payment by the Argentine. The Assembly directed the Committee to reduce *pro tanto* the number of units ascribed to the Members of the League for which the existing allocation was particularly heavy. Consequently at a session held at the end of October 1924, the Committee increased the total number of units from 932 to 935, fixed the quota of the Dominican Republic at one unit and allocated 33 units between Brazil, China, Greece, Haiti, Norway, Portugal, Persia, Roumania, the Kingdom of the Serbs, Croats and Slovenes and Czechoslovakia.

THE PRESENT SCALE.

The Fourth Assembly had agreed that since most countries as a result of the upheaval caused by the war, were no longer able to preserve a due relation between taxation and the national resources, it would be safer to take, as criterion of

capacity to pay, the expenditure rather than the revenue side of the budget.

The Allocation Committee which had been asked by successive Assemblies to pursue its labours, analysed and compared, during the early months of 1925, the budgets for 1923 of all the Members of the League. It further checked the preliminary conclusions to which these budget figures seemed to point by certain economic data—the production of cereals and minerals, international trade etc.

On the basis of these new principles, the Committee submitted to the Assembly a new scale and proposed that it should be put in force for the years 1926, 1927 and 1928.

The Sixth Assembly accepted the proposals of the Allocation Committee and suggested that it should continue to exercise its functions with a view to following economic developments, so that it might be in a position to present in 1928 the results of its researches on which a final scale of allocation might be based.

The scale adopted by the Sixth Assembly on September 26th 1925 was modified on September 25th 1926 by the addition of 79 units to be borne by Germany and the subtraction of the unit for which Costa Rica had been responsible until its withdrawal from the League. The scale of allocation of the League's expenses is now as follows.

UNITS		UNITS		UNITS	
Abyssinia. . .	2	Bulgaria . . .	5	Dominican Re	
Albania. . . .	1	Canada	35	public. . . .	1
Argentina. . .	29	Chile	14	Estonia	3
Australia . . .	27	China	46	Finland	10
Austria. . . .	8	Colombia . . .	6	France	79
Belgium	18	Cuba	9	Germany. . . .	79
Bolivia.	4	Czechoslova		Greece	7
Brazil	29	kia	29	Guatemala. . .	1
British Empire	105	Denmark . . .	12	Haiti	1

UNITS		UNITS		UNITS	
Honduras . .	1	New Zealand.	10	the Serbs	
Hungary. . .	8	Nicaragua . .	1	Croats and	
India	56	Norway . . .	9	Slovenes .	20
Irish Free		Panama. . .	1	Siam	9
State	10	Paraguay. . .	1	South Africa	15
Italy.	60	Persia. . . .	5	Spain. . . .	40
Japan	60	Peru	9	Sweden. . .	18
Latvia	3	Poland . . .	32	Switzerland.	17
Liberia. . . .	1	Portugal. . .	6	Uruguay . .	7
Lithuania . .	4	Roumania. .	22	Venezuela ..	5
Luxemburg .	1	Salvador. . .	1		
Netherlands .	23	Kingdom of			1015

Finally, the Eighth Assembly, on the report of its Fourth Committee, adopted the view that the time had not yet come to draw up a final scale, since, owing to the continuing instability of economic conditions, the Allocation Committee could not expect to find a sufficiently sound basis for its work next year. It recognised, however, that in view of the resolution adopted by the Assembly in 1925 the ninth Assembly was alone qualified to take a decision on the substance of the question.

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THE
LEAGUE OF NATIONS
AND THE
REFORM OF THE CALENDAR

Information Section,
Secretariat of the League of Nations,
GENEVA.

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¹ Chapters B, C and D are reproductions of communications addressed to the members of the Advisory Committee on Communications and Transit.

A. — INTRODUCTION.

THE LEAGUE OF NATIONS AND THE REFORM OF THE CALENDAR.

Some years ago the League of Nations was called upon to deal with the reform of the calendar—an eminently international problem which had arisen long before the creation of the League.

The calendar is not an unalterable institution. In the course of the ages it has undergone numerous changes. The Gregorian Calendar which it is proposed to reform only dates from the 16th century (1582). It was adopted by Germany and the Netherlands at the end of the 17th century, by Protestant Switzerland in 1701, by England in 1752, and by Sweden in the following year.

Bulgaria, Greece, Roumania, the Kingdom of the Serbs, Croats and Slovenes and Russia did not give up the Julian Calendar until after the war of 1914-18.

The Gregorian Calendar has only been applied in Turkey since 1927.

We give below, in addition to a brief summary of international action in favour of the reform of the calendar prior to the foundation of the League, an outline of the circumstances in which the League came to study the problem, of the methods it has adopted and of the conclusions it has reached.

Confining ourselves to recent movements of opinion, we find that, between 1900 and 1914, there were no fewer than four Congresses which dealt with the reform of the calendar. The first, in 1900, was the Eisenach Evangelical Conference; in 1910 came the London Congress of the Permanent International Committee of Chambers of Commerce and commercial and industrial associations; in 1914 the Paris Conference of the same Association, which asked the Swiss Government to convene an international conference; and in the same year the Liège Congress, held on the initiative of the Industrial Bourse of Liège, and attended by religious, scientific, commercial and industrial authorities. The work was resumed after the war. In 1919, the Congress of the International Astronomical Union formed a special commission to study the question under the chairmanship of Cardinal Mercier. In 1921 there was a meeting of the Congress of the International Chamber of Commerce in London, and in 1922 a fresh Congress of the International Astronomical Union.

Such was the position when the Committee on Communications and Transit undertook to study this problem on the proposal of one of its members—M. van Eysinga (Netherlands). It considered that an examination of the reforms which might be introduced into the Gregorian Calendar could not fail to be of importance to economic life and international trade if it resulted in a more uniform and rational measurement of time.

The Committee applied to this question the methods of information (consultations and enquiries) which the League adopts for the examination of all international questions.

In the course of a preliminary examination, the Committee found that, from the strictly dogmatic point of view, the consideration of the reform of the calendar did not encounter difficulties which could in advance be regarded as insuperable. It was nevertheless unanimously

of opinion that no reform of the calendar was practicable without an agreement between the various supreme religious authorities concerned.

It therefore appointed a Special Committee, which it instructed not to consider any changes in existing traditions unless these changes were definitely demanded by public opinion and constituted undoubted improvements in public life and economic relations. This Committee consisted of members of the Committee on Communications and Transit, of experts and of representatives of the supreme religious authorities.

This Special Committee decided upon a general enquiry which was addressed simultaneously to Governments, religious authorities and the principal international associations (Chambers of Commerce, Railway Union, Universal Postal Union, International Labour Office, International Co-operative Alliance, trade unions, teachers' associations, tourists' associations, women's associations, etc.).

Considerable material was thus collected, and 185 reform schemes from the most varied sources and countries were sent to the Special Committee.

The Committee was then able to define the scope of the problems before it and laid down the fundamental principles of three main groups of reforms, taking into account both the intrinsic merits of the reform schemes and the possibility of their being accepted by public opinion. The first group confines itself to a relative equalisation of quarters, each quarter consisting of two months of 30 days and one month of 31 days, while one of the quarters would have an additional day. The second and third groups involve the introduction of a blank day (two days in leap years) and establish a perpetual calendar.

The Committee did not decide in favour of any one group to the exclusion of the others. It took the view that the question of the reform of the calendar was not

the abstract problem of the theoretical advantages of any given scheme, but one dependent on possibilities of practical application, the demands of public opinion and the stage reached in its development. The Committee nevertheless considered that, although there were powerful propaganda movements in favour of the reform of the calendar, it must be admitted that public opinion was not prepared either to accept or to demand an immediate reform in a given direction.

It concluded that the circles concerned in each country must pursue these studies in liaison with the League, which would be in a position to consider what steps could be taken with a view to international agreement when the time came, *i.e.*, when it considered that the requisite conditions for such agreement existed in each country.

The Committee on Communications and Transit, to which the Special Committee addressed its report, recommended the creation of national committees to pursue the necessary studies.

Since the Special Committee sent in its conclusions, interest in calendar reform seems to have grown in the various countries. In the United States, for example, newspapers and reviews devote numerous articles to this question and a national committee has been formed which includes leading members of American Society and is presided over by Mr. George Eastman. A national committee has also been formed in Hungary, and the constitution of others is announced.

The special circulars reproduced in the following chapters were primarily intended for members of the Committee on Communications and Transit of the League of Nations and for administrations and organisations interested in the formation of national committees for the reform of the calendar. The first circular contains a statement of the drawbacks of the present Gregorian Calendar and of the proposed reforms, together with

suggestions regarding the creation and rôle of national committees. The second circular contains information regarding recent international action and the constitution of national committees.

Geneva, December 15th, 1928.

B. — MAIN POINTS CONCERNED IN THE PROBLEM OF SIMPLIFYING THE GREGORIAN CALENDAR. ⁽¹⁾

The following summary information with regard to the main points in the problem of simplifying the Gregorian Calendar are communicated to the Advisory and Technical Committee for Communications and Transit and to the administrations and organisations concerned in the formation of national committees for the reform of the calendar. The creation of these committees was requested by the Advisory and Technical Committee and approved by the Assembly of the League of Nations. This information refers exclusively to the general question of calendar simplification and the establishment of a perpetual calendar. No mention is made of the question of stabilising Easter, since sufficient documentation on this subject has already been provided to enable the authorities concerned to take any decision they may consider useful, without the necessity for further examination of the question in each individual case through the intermediary of national committees.

I. DISADVANTAGES OF THE PRESENT GREGORIAN CALENDAR

In its General Report (printed document A.33.1926. VIII), the Special Committee drew attention to the following defects :

⁽¹⁾ This section reproduces the material of a circular which the Secretariat of the Committee on Communications and Transit issued to its members and other interested persons on November 27th, 1928.

A. *Inequality in the Length of the Divisions of the Year.*

The divisions of the year, the months, quarters and half-years, are of unequal length. The months contain from 28 to 31 days. As a result, the number of days in the quarters are respectively 90 (91 in a leap year), 91, 92 and 92. The first half-year therefore contains two or three days less than the second. Another result is the unequal number of weeks included in the quarters and half-years.

The unequal length of months, quarters and half-years is a cause of confusion and uncertainty in economic relations, in the arrangement of all statistics, accounts, commercial and transport figures, etc.

The fact that the months contain 28, 29, 30 or 31 days is responsible for the fact that all calculations of salaries, interest, insurance, pensions, leases and rent which are fixed on a monthly, quarterly or half-yearly basis are inaccurate and do not correspond with a twelfth, a quarter or a half of the year. In order to make daily calculations in current accounts with comparative certainty and speed, banks are obliged to make constant use of special tables. Moreover, in most of the countries of Europe, the unequal length of the months has led financial concerns to calculate deposit and current accounts on the basis of a year of twelve months of 30 days, or a year of 360 days, whereas in the discounting of bills the year is still reckoned at its exact number of days. Finally, the quarters and half-years do not contain an exact number of weeks.

B. *Want of Fixity in the Calendar.*

The calendar is not fixed: it changes each year; the year, in fact, consists of 52 weeks plus one or two days. Thus, if the first day of the year is a Sunday, in the

following year it is a Monday (or even a Tuesday in the case of a leap year). Were it not for the extra day of leap year, the calendar would only have seven different alternatives corresponding to the seven days of the week on which the year can begin; owing, however, to the extra day of the leap year, the exact *reproduction* of the calendar of any year only takes place once every 28 years. Thus, the day of the month falls each year on a different day of the week from the one on which it fell the previous year. In consequence:

(a) The dates of periodical events can never be fixed with precision. Such a date can, in fact, only be determined in two ways: either by the day of the month (August 15th, for example) or by the day of the week in the month (the third Tuesday in October). With the present Gregorian Calendar, this double method is not precise, for, if the day of the month is fixed for periodical events, this day may sometimes fall on a Sunday or general holiday.

Each year, therefore, the authorities have to make a special decision, as, for instance, for the meeting of a tribunal, the convocation of Parliament, the dates of holidays, fairs, markets, administrative assemblies, the fixing of "summer-time", etc.

On the other hand, if a special day (the first Monday in the month, for example) is fixed for these events, other difficulties arise, as the date corresponding to this day varies continually from month to month and from year to year.

If the calendar were fixed, the dates of these events could be fixed once and for all. They would fall on the same dates as well as on the same days of the week.

(b) The position of the weeks in the quarters varies each year, that is to say, the weeks overlap the divisions of a year in a different way each time, and complications

accordingly arise in the reckoning of accounts, statistics, etc.

(c) The 1st, 15th and 30th of a month are sometimes Sundays. When the 1st of a month falls on a Sunday, it is not possible to revise and verify immediately all the work of the previous months and quarters and to establish without delay the various comparisons which are essential from a business point of view. This is a serious disadvantage in respect of accounts and statistics. The 15th and 30th of the month are very important dates as regards the falling due and the payment of rents. When these dates are Sundays, the payments must be postponed or advanced.

(d) Finally—and this is perhaps the greatest drawback from a statistical and commercial point—since the various days of the week are not of the same value as regards the volume of trade, and the years and the months do not from year to year include the same number of individual weekdays, there can be no genuine statistical comparison between one year and another, while the various subdivisions of the year itself—the half-years, quarters and months—are likewise incapable of comparison.

II. SCHEMES FOR CALENDAR REFORM.

The Committee eliminated reform schemes which modified the beginning or length of the year or divided the year into months of considerably different length. It decided to confine itself to three main reform groups.

The first group merely proposes to render the various quarters more or less equal, each quarter consisting of two months of 30 days and one month of 31 days, while one quarter contains an additional day. There is no blank day (outside the week). But, though certain calculations would be simplified in this way and though the

levelling-up of quarters would be of advantage from the point of view of quarterly statistics, the calendar thus established would still, like the present calendar, be variable.

The second and third groups involve the introduction of a blank day (two blank days in leap years) and establish a perpetual calendar. Leaving aside all religious questions, the two schemes possess the following individual advantages and disadvantages.

Second Group (13 months of 28 days).

Advantages.

1. The months all have the same number of days.
2. The periods for which salaries are calculated exactly correspond to the periods of expenditure.
3. The fact that the months are all of the same length has great advantages from the point of view of monthly statistics.
4. Each month contains the same whole number of weeks.

Disadvantages.

1. The figure 13 is not divisible by 2, 3, 4 or 6.
2. The quarters of the year (of equal length) do not contain a whole number of months.
3. The introduction of a year of 13 months implies a considerable change in customs which have been established for many thousands of years.
4. In general, a greater number of corrections would be required in drawing up statistics than with the 12-month system.

Third Group (12 months : 8 months of 30 days and 4 months of 31 days).

Advantages.

1. Half-years and quarters have a full number of months and weeks.
2. Every month can contain the same number of working days.

Disadvantages.

1. The months are not of the same length.
2. The months do not contain a complete number of weeks.
3. The dates do not fall on the same day of the week in each month.
4. The comparison of future dates with past dates and the comparison of future statistics with past statistics is less complicated than in the 13-month group, but more complicated than in the group which merely regularises the quarters.

The 13-month system would seem to be of greater utility from the point of view of statistics and commerce if the month, rather than the quarter, is to be taken as the unit of economic life. The 12-month system would be preferable in the other contingency. The preliminary enquiry among the various Governments and commercial organisations has shown that they are more favourable to the 12-month system, which would cause less distur-

bance to established customs ; but an increasing number of commercial organisations seem to favour the 13-month system, which is already employed on a fairly extensive scale as an auxiliary calendar.

III. ESTABLISHMENT AND WORK OF NATIONAL COMMITTEES.

In order to be able to follow the views of the public and to take into consideration the extent to which public opinion has been educated on this subject, both as concerns the defects of the present calendar and the principles of the various reform schemes, the Special Committee provided for the establishment of national committees of enquiry.

1. *Resolutions of the Advisory and Technical Committee for Communications and Transit relating to the Establishment of National Committees.*

The League of Nations Committee for Communications and Transit adopted the following resolution on July 17th, 1926 :

“The Advisory and Technical Committee, having taken note of the report of the Special Committee of Enquiry into the Reform of the Calendar, is of opinion that it appears from the facts ascertained by that Committee, as regards the general reform of the calendar, that a methodical examination of the question by public opinion in the various countries on the basis of the work of documentation and simplification already carried out is an essential condition for the realisation of any reform, *and that this work would be facilitated by the institution of national organisations to study the question, which should include representatives of the principal interests involved.*

“It requests the Chairman of the Transit Committee to take such measures as may appear advisable in order to ensure the further development of the work in question.”

The Assembly of the League of Nations, in a resolution adopted on September 25th, 1926, "associated itself with the findings and suggestions made by the Advisory and Technical Committee".

The Advisory and Technical Committee, for its part, adopted the following resolution on August 20th, 1927 :

"The Advisory and Technical Committee for Communications and Transit decides to request the Secretary-General of the League of Nations to invite all the administrations and organisations concerned to give the Committee all information of value to it on any action taken on the suggestions contained in the report of the Committee of Enquiry into the Reform of the Calendar, and more particularly on the proposal for the establishment of national committees of enquiry to study this reform."

This resolution was communicated to the various Governments by the Secretary-General of the League on September 30th, 1927.

2. *The Constitution and Work of the National Committees.*

It is for each Government to select the most appropriate method for constituting its national committee of enquiry. Each committee should be truly representative of the chief interests involved, particularly the various economic and social interests which may be affected by the disadvantages of the present calendar. These committees are intended to serve as a means for gauging any development of public opinion in favour of reform, rather than as machinery for perfecting the details of any particular scheme.

The formation of a national committee in a country would therefore in no way imply that this country was in principle in favour of calendar reform, since the

Committee's object is to discover whether, and in what form, public opinion in each country holds calendar reform to be desirable and possible.

The reports of the national committees, even of those formed at the instance of a Government, and even though they are subsequently transmitted to the League of Nations by that Government, will only constitute a source of information to assist the organs of the League in deciding whether subsequent international action—such as the convening of an international conference—is possible. They will not bind the Governments concerned even if experts from the various competent Government departments take part in the work.

3. *Co-ordination of the Work of the Various National Committees.*

It would be desirable for the Secretariat of the League to be notified of the constitution of each national committee as soon as it is formed, in order that the Secretariat may be in a position to communicate to it all useful information, and to organise, as between the various national committees, such exchanges of documents and views acquired by experience as may be necessary.

C. — INFORMATION RECEIVED CONCERNING
THE PROGRESS OF ENQUIRIES INTO THE
REFORM OF THE CALENDAR. ¹

I. RECENT INTERNATIONAL ACTION.

1. *Resolution of the Pan-American Conference, Havana.*

On February 18th, 1928, the Pan-American Conference adopted the following resolution :

“ The sixth International Conference of American States resolves : To recommend to the countries of the Pan-American Union that there be appointed in each of them a national committee to consider the proposed simplification of the calendar and to make such preparation as may be necessary for the participation of those countries in an international conference which is to examine the best method of reform.”

2. *International Labour Conference.*

The Conference of the International Labour Organisation, which met at Geneva in June 1928, adopted the following resolution :

“ The International Labour Conference,

“ In view of the interest which the question of calendar reform has for the workers, through its

¹ Reproduced from a circular issued by the Secretariat of the Commission on Communications and Transit to members of the Commission and other interested persons on November 29th, 1928.

connection with the question of improving labour and industrial statistics, stabilising employment and regularising holidays ; and

“ In view of the request of the Secretariat of the League of Nations to the effect that the International Labour Office should communicate from time to time to the Advisory Committee for Communications and Transit any information it might obtain as to the opinion among workers on the matter :

“ Expresses the hope that, in giving effect to the request of the Secretariat of the League of Nations and in accordance with the instructions of the Governing Body, the Office will proceed to a very full consultation of the Trades Union Organisations in the different countries. ”

3. *International Federation of League of Nations Societies.*

Apart from this official international action, the International Federation of League of Nations Societies adopted, in July 1928, the following resolution :

“ The twelfth Plenary Congress,

“ Considering that the existing calendar is a source of trouble in commercial, industrial, scientific, educational and religious quarters and involves serious loss of time and money :

“ Considering that the adoption of a simple practical calendar would be of indisputable moral and material advantage to future generations ;

“ Invites League of Nations Societies to urge the Governments of their respective countries to take immediate steps to expedite the convening by the League of Nations of an international conference entrusted with proposing specific measures for the reform of the calendar.”

4. *Assembly of the League of Nations.*

On September 24th, 1928, the Assembly of the League of Nations adopted the following resolution, taken from the report on the work of the Organisation for Communications and Transit :

“ In conclusions with which the Assembly associated itself, the Advisory and Technical Committee asked that national committees for the reform of the calendar competent to study the report drawn up by the Committee and to outline the state of national opinion on this subject should be formed in as many countries as possible. The question to which this enquiry related was that of the general reform of the calendar, independently of the fixing of the date of Easter, regarding which more definite conclusions had already been adopted by the Transit Committee. Since the last ordinary session of the Assembly, a strong current of opinion has made itself felt in certain countries in favour of a detailed study of this question of the reform of the calendar. Special attention has been given to it by commercial and industrial circles. National committees are in process of formation. The National Committee of the United States of America has already been formed and consists of highly representative persons.”

II. ESTABLISHMENT OF NATIONAL COMMITTEES.

1. *Formation of a National Committee of Enquiry in Hungary.*

On May 31st, 1928, the Hungarian Government informed the Secretary-General of the League that it had already taken steps to set up a suitable body which would make it possible for those interested in this question in Hungary to prepare public opinion on the subject.

2. *Constitution of the National Committee for the United States of America.*

On receipt of the circular letter from the Secretary-General of the League of Nations, dated September 30th, 1927, the Government of the United States of America took steps to constitute the American National Committee. This Committee has now been formed, with Mr. George Eastman as its President.

The Secretary-General of the Advisory and Technical Committee for Communications and Transit has received from a representative of the President of this Committee, sent to Geneva specially for the purpose, a list of the members of the Committee and of the special Sub-Committees which the Committee has created. The American National Committee has already commenced its work of enquiry. A list of the members of the National Committee of the United States of America and of the special Sub-Committees is appended as an Annex.

Annex.

NATIONAL COMMITTEE FOR THE UNITED STATES
OF AMERICA AND SPECIAL COMMITTEES WHICH IT HAS SET UP.

National Committee.

- George EASTMAN, Eastman Kodak Company (President).
Dr. C. F. MARVIN, Chief, United States Weather Bureau,
Department of Agriculture (Vice-President).
Dr. G. K. BURGESS, Chief, Bureau of Standards, Depart-
ment of Commerce.
Mr. Haley FISKE, President, Metropolitan Life Insurance
Company.
Mr. A. H. HARRIS, Chairman of the Executive Committee,
New York Central Railroad Company.
Dr. Max O. LORENZ, Inter-State Commerce Commission.
Mr. Adolph S. OCHS, Publisher, *New York Times*.
Mrs. Mary Roberts RINEHART, Author.
Dr. Fred E. WRIGHT, National Academy of Sciences.
Mr. Silas H. STRAWN, American Bar Association.
Mr. William GREEN, President, American Federation
of Labor.
Mr. Gerard SWOPE, President, General Electric Company.
Mr. George E. ROBERTS, Vice-President, National City
Bank of New York.
Mr. David E. FINLEY, Special Assistant to the Secretary,
Treasury Department.
Dr. Valeria H. PARKER, President, National Council of
Women.
Mrs. John D. SHERMAN, General Federation of Women's
Clubs.

- Professor W. S. EICHELBERGER, Director, *Nautical Almanac*, Naval Observatory, Navy Department.
Mr. Benjamin F. AFFLECK, President, Universal Portland Cement Company.
Dr. C. W. Warburton, Director of Extension Work, Department of Agriculture.
Mr. Ethelbert STEWART, Commissioner of Labor Statistics, Department of Labor.
Miss Mary ANDERSON, Chief, Women's Bureau, Department of Labor.
Dr. John J. TIGERT, Commissioner of Education, Department of the Interior.
Mr. O. N. SOLBERT (Secretary).

Spécial Committees.

Industry and Commerce.

- Mr. George EASTMAN.
Mr. Haley FISKE, President, Metropolitan Life Insurance Company.
Mr. Gerard SWOPE, President, General Electric Company.
Mr. Benjamin F. AFFLECK, President, Universal Portland Cement Company.
Mr. Julius H. BARNES, War-time Grain Administrator and former President of the Chamber of Commerce of the United States.
Mr. John E. EDGERTON, President, National Association of Manufacturers.
Mr. Henry S. DENNISON, President, Dennison Manufacturing Company.
Mr. A. P. SLOAN, President, General Motors Corporation.
Mr. S. C. MEAD, Secretary, Merchant Association of New York.
Mr. Henry FORD, President, Ford Motor Company.

Transportation and Communications.

- Mr. A. H. HARRIS, Chairman of the Executive Committee,
New York Central Railroad Company.
Dr. MAX O. LORENZ, Inter-State Commerce Commission.
Hon. NEWTON D. BAKER, President, Lake Carriers' Association.
Mr. T. V. O'CONNOR, President, United States Shipping Board.
Mr. ROBERT DOLLAR, President, Dollar Steamship Company.
Mr. FREDERICK P. SMALL, President, American Express Company.

Finance.

- Mr. GEORGE ROBERTS, Vice-President, National City Bank of New York City.
Mr. DAVID E. FINLEY, Special Assistant to the Secretary, Treasury Department.
Mr. HARVEY D. GIBSON, President, New York Trust Company.
Mr. F. M. LAW, Vice-President, First National Bank of Houston.
Mr. GEORGE F. RAND, President, Buffalo Marine Bank and Trust Company.
Mr. JOHN R. MITCHELL, Chairman, Federal Reserve Bank of Minneapolis.
Mr. HAROLD KOUNTZE, Chairman, Colorado National Bank.
Mr. JOHN K. OTTLEY, President, Fourth National Bank of Atlanta.
Mr. F. L. LIPMAN, President, Wells Fargo Bank and Union Trust Company.
Mr. J. W. SPANGLER, President, Seattle National Bank.
Mr. OTTO H. KAHN, member, Kuhn, Loeb & Co.
General H. M. LORD, Director of the United States Budget.

Science, Engineering and Technology

- Dr. G. K. BURGESS, Director, Bureau of Standards,
Department of Commerce.
Dr. Fred E. WRIGHT, National Academy of Sciences.
Dr. C. F. MARVIN, Chief, United States Weather Bureau,
Department of Agriculture.
Professor W. S. EICHELBERGER, Director *Nautical Almanac*,
Naval Observatory, Navy Department.
Dr. Edwin FROST, Director, Yerkes Observatory.
Mr. Elmer A. SPERRY, Chairman, Committee on Engineer-
ing, National Research Council.
Dr. Charles H. MAYO, Mayo Clinic.
Dr. Vernon KELLOGG, Secretary, National Research
Council.
Mr. William C. OSBORN, Director, American Museum
of Natural History.

Labour.

- Mr. William GREEN, President, American Federation of
Labor.
Mr. Ethelbert STEWART, Commissioner of Labor Statistics,
Department of Labor.
Miss Mary ANDERSON, Chief, Women's Bureau, Depart-
ment of Labor.

Agriculture.

- Dr. C. W. WARBURTON, Director of Extension Work,
Department of Agriculture.
Mr. Louis J. TABER, President, National Grange.
Mr. L. M. RHODES, President, State Commissioners of
Agriculture.

Dr. C. W. LARSON, Director, National Dairy Council.
Mr. Frank O. LOWDEN, former Governor of Illinois.
Miss Louise STANLEY, Chief, Bureau of Home Economics,
Department of Agriculture.

Law.

Mr. Silas H. STRAWN, former President, American Bar Association.
Mr. Province M. POGUE, Lawyer, Cincinnati, Ohio.
Dean Roscoe POUND, Harvard Law School.
Mr. Guernsey E. NEWLIN, President, American Bar Association.
Mr. Paul CRAVATH, Lawyer.

Journalism and Publishing.

Mr. Adolph S. OCHS, Publisher, *New York Times*.
Mr. Arthur CAPPER, United States Senator from Kansas.
Mr. David LAWRENCE, President, Consolidated Press Association.
Mr. Edward H. BUTLER, President, American Newspaper Publishers' Association.
Mr. George P. PUTNAM, Publisher.
Mr. Ray LONG, Editor-Chief, Hearst Magazines.
Mr. Fred Roy MARTIN, former General Manager, Associated Press.

Women (incomplete list).

Mrs. SHERMAN, former President, General Federation of Women's Clubs.
Dr. Valeria H. PARKER, President, National Council of Women.
Mrs. SPEER, President, International Y.W.C.A.

Social, Fraternal and Public Interests (incomplete list).

Mrs. Mary Roberts RINEHART, Author.

Education.

Dr. John J. TIGERT, Commissioner of Education, Department of the Interior.

Mr. H. V. CHURCH, Superintendent, Secondary Schools.

Miss Mary McSKIMMON, Principal, Pierce School.

Miss Mary G. WOOLLEY, Principal, Mt. Holyoke College.

Dr. F. D. BOYNTON, President, Department of Superintendence, National Education Association.

Mr. T. E. FINEGAN, President, Eastman Teaching Films, Inc.

Mr. Harry A. GARFIELD, President, Williams College.

Dr. Livingston FARRAND, President, Cornell University.

Mr. Samuel W. STRATTON, President, Massachusetts Institute of Technology.

Mr. James Rowland ANGELL, President, Yale University.

Miss Martha VAN RENSELAER, Department of the School of New York, Home Economics, Cornell University.

D. — TELEGRAM RECEIVED FROM MR. GEORGE EASTMAN, PRESIDENT OF THE NATIONAL COMMITTEE FOR THE UNITED STATES OF AMERICA.

Rochester, December 3rd, 1928.

League of Nations, Geneva.

Chairman Porter of Foreign Affairs Committee House introduced to-day following resolution: "Resolved by the Senate and House of Representatives of the United States in Congress assembled that the President is respectfully requested to propose on behalf of the United States to the nations of the world the calling of an international conference for the simplification of the calendar or to accept an invitation on behalf of the United States to participate in such a conference upon the proposal of some other nation or group of nations".

George EASTMAN.